Wednesday
23rd May, 1956

सत्यमेव जयते

PARLIAMENTARY DEBATES

HOUSE OF THE PEOPLE

OFFICIAL REPORT

(Part I- Questions and Answers)

1956

PARLIAMENT SECRETARIAT
NEW DELHI

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LOK SABHA DEBATES
(Part I—Questions & Answers)

Acc. No. 25 > 9 ...
Dated 30.03.201.

LOK SABHA

Wednesday, 23rd May, 1956

The Lok Sabha met at Half Past Ten of the Clock.

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

SHIPPING

***2442. Shri Jhulan Sinha :** Will the Minister of **Transport** be pleased to state the extent to which our shipping industry suffers from what is known as Flag Discrimination ?

The Minister of Railways and Transport (Shri L. B. Shastri) : No instance of flag discrimination against Indian ships has been brought to the notice of Government.

Shri Jhulan Sinha : May I know if Government has received information either through the interests affected or through other sources that this industry is actually suffering from flag discrimination ?

Shri L. B. Shastri : That is not correct, and we have received no such information either from the shipping companies or from any other sources.

Shri Mohiuddin : Does not the refusal by the Shipping Lines Conference to allow the Indian ships to join them for a particular route amount to flag discrimination ?

Shri L. B. Shastri : That does not amount to flag discrimination. But I might tell the hon. Member that some time back it was felt that there might be some difficulty in the Indian companies joining some other Shipping Conferences, but mutual discussions have led to better results.

Shri P. C. Bose : May I know whether the Government is aware that during the last International Conference held at Tokyo this question of flag discrimination was debated and the Indians took exception to certain remarks made by the Europeans ?

Shri L. B. Shastri: Yes, Sir, this question was raised from the other side, from other foreign shipping companies. But we made it clear that an undeveloped country like ours should have the right to move its cargoes in its ships for the development of its own shipping, and as shippers also we have an inherent right to carry our cargo in the ships which we like.

तराई क्षेत्र में डाक सेवायें

*** २४४३. श्री विभूति मिश्र :** क्या **संचार** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या नेपाल सरकार ने भारत सरकार को सुझाव दिया है कि नेपाल के सीमान्त स्थानों से जहां पर भारतीय डाकघर हैं, नेपाल के तराई क्षेत्र के गम्य स्थानों में चिट्ठियों और पारसलों के बंटवाने का प्रबन्ध किया जाये; और

(ख) यदि हां, तो क्या भारत सरकार ने सुझाव स्वीकार कर लिया है ?

संचार मंत्रालय में मंत्री (श्री राज बहादुर): (क) जी हां, किन्तु केवल नेपाल के डाकघरों में डाक देने के बारे में। वो डाक-घर उस डाक को एड्रेसियों (addressees)में बांट देंगे ।

(ख) इस विषय पर अभी तक भारत और नेपाल की सरकारों में लिखा-पढ़ी हो रही हैं ।

श्री विभूति मिश्र : यह जो नेपाल तराई के पास भारतीय डाकखाने है, इन डाकखानों में से जब नैपाल तराई को चिट्ठी बांटने का

प्रबन्ध हो जायेगा, तो क्या स्टाफ बढ़ाना पड़ेगा यदि बढाना पड़ेगा तो कितना स्टाफ बढ़ाना पड़ेगा ?

श्री राज बहादुर : अभी तो यही परामर्श चल रहा है कि कहां कहां नये डाकखानों के द्वारा डाक का आदान प्रदान किया जाये । जब यह तै हो जायेगा और यह भी मालुम हो जायेगा कि कितनी डाक आयेगी जायेगी, उसके बाद यह कहा जा सकेगा कि कितना स्टाफ बढ़ाया जायेगा या नहीं बढ़ाया जायेगा ।

श्री विभूति मिश्र : मैं यह जानना चाहता हूं कि सरकार बार्डर के डाकखानों द्वारा तराई में कितने मील तक डाक बांटने का प्रबन्ध करेगी ?

श्री राज बहादुर : वर्तमान में जो तरीका है तो यह है कि जितनी भी डाक, अनरजिस्टर्ड चिटिठया, पोस्टकार्ड, अखबार पैकेट वगैरह होते हैं उनको हम नेपाल भेज देते हैं। दोनों तरफ डाकखाने हैं और हमारा काम डाक को एक डाकखाने से दूसरे डाकखाने तक भेज देने का है ।

श्री बी० डी० पाण्डे : नैपाल का बार्डर तो करीब ढाई तीन चार सौ मील तक फैला हुआ है । इसमें डाक बांटने में तो बहुत खर्चा बैठेगा । क्या नेपाल सरकार उस खर्च को पूरा करेगी जो हमको उसकी चिट्ठियां बांटने में बैठेगा ?

श्री राज बहादुर : खर्च का जो हिसाब होता है वह तो अन्तर्राष्ट्रीय समझतों के आधार पर होता है । सरहद के दोंनो तरफ हमारे और नेपाल के डाकखाने हैं । अभी तो हमारा तरीका यह है कि हम अपने डाकखानों से उनके डाकखानों तक डाक भेज देते हैं । वहां पर वितरण का काम वे खुद करते हैं । और यह जो फासला है यह दस पांच मील का है, इसके खर्चे का हिसाब परस्पर हो जाता है ।

DEPARTMENTAL CATERING ON RAILWAYS

***2444. Shri D. C. Sharma :** Will the Minister of **Railways** be pleased to refer to the reply given to Starred Question No. 226 on the 25th November, 1955 and **state :**

(a) the names of further Railway Stations in various zones where departmental catering has been started so far;

(b) the names of stations where it is proposed to be introduced during this year and when;

(c) whether by introducing this system, Government has so far incurred any loss or made profit ; and

(d) if so, how much ?

The Minister of Railways and Transport (Shri L. B. Shastri) : (a) to (d). A statement is placed on the Table of the Lok Sabha. [*See* Appendix XIV, annexure No. 43].

Shri D. C. Sharma : May I know if any phased programme has been drawn up for introducing departmental catering at all the railway stations where there are restaurants at present ?

Shri L. B. Shastri : Not at all the railway stations ; no such programme has been drawn up. But where we propose to take over from the contractors, the list of those stations has been given in the statement laid on the Table of the House.

Shri D. C. Sharma : May I know if any effort has been made to judge the reactions of the consumers to the new experiment of catering which the Railway Ministry has launched and, if so, what is the method and what are the results ?

Shri L. B. Shastri : It is rather early to express an opinion on that matter, but the impressions that we have gathered and some of the reports or observations made by M.Ps. and other passengers, go to show that the change has been generally welcomed and they find that there is some improvement in the catering arrangements.

सेठ अचल सिंह : क्या यह वाकया है कि जहां जहां गवर्नमेंट डिपार्टमेंटल केटरिंग चला रही हैं वहां वहां नूकसान हो रहा है ।

श्री एल० बी० शास्त्री : जैसा मैंने कहा अभी यह कहना मुश्किल है । लेकिन जो एक दों जगह की रिपोर्टें हमारे पास आयी हैं उनसे मालूम होता हैं कि नुकसान नहीं हैं ।

Shri Mohiuddin: Is it not a fact that although it was decided to take over the catering on the trains, and on the Grand Trunk Express, it was found that even simple items like crockery and other things were lacking in May for the service of meals to the passengers?

Shri L. B. Shastri: Catering on the Grand Trunk Express has been taken over recently and new arrangements are being made, and I hope it will be possible to effect improvements very soon.

Shri C. D. Pande: Is Government aware that since the introduction of departmental catering in Delhi Station, there is a lack of keenness on the part of the staff to serve meals in the trains?

The Minister of Agriculture (Dr. P. S. Deshmukh): Because you do not give any tips!

Shri C. D. Pande: They do not serve at all.

Shri L. B. Shastri: I am not aware of it. If the hon. Member would bring any specific cases to my notice I will look into them.

Mr. Speaker: I would suggest that in matters like this, hon. Members should first of all write about individual cases to the hon. Minister concerned and if no redress is obtained, then, if it is a matter of such public importance and not merely of local importance, it should be brought before Parliament.

Shri Achuthan: Is it the policy of Government, when introducing departmental catering in important railway stations, to give licences to private parties also, so that there may be competition with regard to the quality of foodstuffs to be served to the passengers?

Mr. Speaker: That is, side by side with departmental catering, in the same place.

Shri L. B. Shastri: That is not the idea. We will have departmental catering at some stations on particular sections. At the other stations there will be private contractors, and if they want to compete with each other they can certainly do so.

Shri Bhagwat Jha Azad: May I know whether the gradual extension covered by the departmental catering is on the basis of pick-and-choose or to replace the discredited contractors who are now there?

Shri L. B. Shastri: We have selected important stations where the traffic is heavy, and with a view to give relief to the passengers at the stations where traffic is heavy we have selected certain stations on all Railways. I think that is the main consideration on the basis of which the new list has been drawn up.

Shri B. S. Murthy: May I know whether separate accounts are being maintained for vending and catering?

Shri L. B. Shastri: I think so, but I cannot say exactly what the position is.

Dr. Rama Rao: Since the Government are undertaking catering on a large scale, do Government contemplate opening a school for training cooks as well as servers so that they will not only give good food but also have training in elementary health subjects?

Shri L. B. Shastri: The Food Ministry have got some institute—they had—where they give training in cooking and other matters.

MIXED FARMING

***2446. Shri Keshavaiengar:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether Government contemplate to run themselves or to encourage others to start agricultural farms of the mixed farming type that prevail in Denmark; and

(b) if so, when, where and how these farms are to be constituted?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) No.

(b) The question does not arise.

Shri Keshavaiengar: Is it not a fact that in spite of the fact that in Denmark land is the only resource, she has made enormous progress in agricultural farming and may I know why their methods of mixed farming could not be adopted with benefit in our country ?

Dr. P. S. Deshmukh: We are quite aware of the benfits and the profitable nature of mixed farming. We have had experience from experiments conducted from 1941 to 1946. It is for the State Governments now to demonstrate the beneficial nature of this mixed farming.

Dr. Ram Subhag Singh: Sometime ago, a large quantity of Russian agricultural implements came to India. May I know whether these implements are going to be utilised in Government farms and whether some personnel have been trained for operating them?

Dr. P. S. Deshmukh: On a Central Government farm situated in Rajasthan. Steps for training personnel may also be taken.

Dr. Jaisoorya: Is it not a fact that the machinery has arrived and is lying idle in Bombay ?

Dr. P. S. Deshmukh: Some machinery has arrived in Delhi itself and some in transit.

Shri Ramachandra Reddi: Is it not a fact that mixed farming is already in vogue in private farms in India and there is nothing to copy from Denmark ?

Dr. P. S. Deshmukh: I agree with the hon. Member that most of our cultivators know the benefits of mixed farming and the methods also. But, there is still scope for intensifying this practice.

Shri Keshavaiengar: May I know whether the Government has become aware of it in 1946 and what attempts have been made to further develop this in this country ?

Dr. P. S. Deshmukh: The results of the experiments are contained in the annual reports of the Indian Council of Agricultural Research for the years 1942 to 1946. These have been referred to the State Governments and it is for them to take further action.

RAILWAY REST HOUSES

***2447. Sardar A. S. Saigal:** Will the Minister of **Railways** be pleased to state :

(a) whether it is a fact that on Western Railway the number of Inspectors have been increased alround but accommodation in rest houses remains the same which causes great inconvenience to them ; and

(b) if so, the action taken by Government in the matter ?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) Accommodation in Rest Houses is not increased on each occasion of increase in staff. It is, true, however, that there is shortage of accommodation at present in some Rest Houses.

(b) Proposals for increasing the accommodation are under consideration.

सरवार ए० एस० सहगल : रेस्ट हाउसेज (विश्राम भवन) की एकोमोडेशन (स्थान) पर प्रायरटी (पुर्वंवतिता) देने की जो व्यवस्था थी वह काम में लाई जारही है या नहीं ?

श्री एल० बी० शास्त्री : प्रायरटी किसकी ?

सरवार ए० एस० सहगल : जो भी आफिसर्स और पैसेंजर्स पर वहां जाते हैं उनकी प्रायरटी।

श्री एल० बी० शास्त्री : जी हां, इस तरह की प्रायरटी की वहां पर व्यवस्था है।

RAILWAY LINE FROM TEZPUR TO LAKHIMPUR

***2449. Shri K. P. Tripathi:** Will the Minister of **Railways** be pleased to state :

(a) whether the proposal to build a Railway line from Tezpur to North Lakhimpur has been considered ; and

(b) if so, the decision that has been arrived at ?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) Yes, Sir.

(b) Owing to the unsuitability of the terrain for railway construction, it has been considered that an all-weather road will suit the transport needs better.

Shri K. P. Tripathi: May I know whether there is any policy for the development of railways with that of road transport, so that the areas where the railways are not going to be opened, the roads will be improved?

Shri L. B. Shastri: The roads will have to be improved by the State Government; but, we have given substantial grants for the construction of bridges on the roads.

Shri K. P. Tripathi: May I know whether any effort is made to supervise as to whether really the expenditure is being incurred for the development of the roads where the Central Government gives grants to the State Governments?

Shri L. B. Shastri: I have personally spoken to the Chief Minister of Assam and told him that the money has been made available, but when the works had not progressed satisfactorily. Recently I again spoke to the Chief Minister that these works should be expedited with speed. The work I hope would now be started as early as possible.

श्रीमती कमलेन्दुमति शाह : उत्तरप्रदेश में किन किन स्थानों पर द्वितीय पंचवर्षीय योजना के ग्रन्तर्गत नई रेलवे लाइनें बनाई जा रही हैं ?

श्री एल०बी० शास्त्री : यह सवाल तो ग्रासाम के एक हिस्से के लिये है, उत्तर प्रदेश में कहां कहां रेलवे लाइन बनाई जायगी उसका इससे मतलब नहीं है लेकिन मैं माननीय सदस्या को इतना बतला देना चाहता हूं कि शायद ही कोई लाइन उत्तर प्रदेश में इस ज़माने में बनेगी ।

RURAL CREDIT SURVEY COMMITTEE

***2450. Shri Asthana:** Will the Minister of **Food and Agriculture** be pleased to state the steps that are being taken to give credit to the non-credit worthy persons according to the recommendation of the Rural Credit Survey Committee?

The Minister of Agriculture (Dr. P. S. Deshmukh): (i) The amendment of the Reserve Bank of India Act, Nationalisation of the Imperial Bank of India, Introduction of the Co-operative Development and Warehousing Bill are some of the major steps which have been taken to make credit available to non-credit worthy, medium and small cultivators.

(ii) Adequate funds have been provided in the 2nd Plan for implementing the schemes.

(iii) The question of organising agricultural producers co-operatives of small and medium cultivators is also under active consideration.

Shri Matthen: The hon. Minister said that advances will be given by the State Bank for rural credit. May I know whether any effort has been made by the State Bank for advancing rural credit? Has anything been done so far?

The Minister of Food and Agriculture (Shri A. P. Jain): It is not that the State Bank of India will advance rural credit. The State Bank of India will finance the marketing operations of agricultural produce.

Shri Matthen: The State Government has not done anything so far.

Dr. Ram Subhag Singh: May I know whether any branch of the State Bank has so far been opened in any rural area for this purpose in the country?

Shri A. P. Jain: If the hon. Member means "villages" by "rural areas", it was never the intention that the State Bank will open branches in the villages. It is of course expanding its branches and some branches have been opened in smaller centres.

Shri Viswanatha Reddy: May I know what progress has been made in the starting of rural banks and if the progress is very slow, what are the reasons for it.

Shri A. P. Jain: The State Governments have selected one or two districts for carrying on intensive work. Some of the State Governments have already started this work.

Shri S. C. Samanta: The hon. Finance Minister told us that the 400 banks that were proposed to be established in the country will not be possible within the next two years. May I know, if they cannot go up to subdivisions even, what steps Government will take to make rural credit available to the cultivators in the meantime?

Shri A. P. Jain: I have in detail explained the whole scheme of advancing rural credit, the part which the State Bank will play and the part which the Reserve Bank will play. If the hon. Member wants to put detailed questions about the State Bank of India, I think he should address the questions to the Finance Minister.

RECOMMENDATIONS OF THE ESTIMATES COMMITTEE ON RAILWAYS

***2451. Shri Bhagwat Jha Azad:** Will the Minister of **Railways** be pleased to state:

(a) whether Government have since considered the various recommendations contained in the Twenty-fifth Report of the Estimates Committee relating to Passenger Amenities; and

(b) if so, the action taken to implement the following recommendations:—

- (i) reduction of the surcharge of Rs. 3 per berth per night in the third class sleeping coaches;
- (ii) early introduction of sleeping accommodation in all the Janata Express Trains;
- (iii) checking the source of water supply at every station by the Engineering and Medical Departments with a view to ensure supply of pure water for drinking purposes;
- (iv) exercising adequate supervision on the quality of books that are stocked in the book-stalls at stations?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) Not yet.

(b) Does not arise.

Shri Bhagwat Jha Azad: Since even before the recommendation of the Estimates Committee the Government was considering the reduction of this surcharge of Rs. 3, may I know how much more time it will still take for the Government to do so?

Shri L. B. Shastri: We are not considering that question at all. In fact, my feeling is that the charges are quite reasonable and we could not perhaps reduce it further. But, as the Estimates Committee has made that recommendation, we are prepared to review the position. That is all I can say at the present moment. I cannot say anythink beyond that.

Shri Bhagwat Jha Azad: May I know in what other trains Government propose to provide sleeping accommodation, as has been demanded by the people at large and recommended by the Estimates Committee?

Shri L. B. Shastri: The Railway Board is looking into that matter. We have not prepared the list of trains where we propose to attach the sleeping coach. I think it would be possible to attach sleeping coaches in a few more trains.

Shri Kasliwal: May I know whether the Railways have calculated the amount of loss to the railway revenues that will accrue as a result of any proposed reduction in the surcharge?

Shri L. B. Shastri: We are not now considering any reduction at all. The Estimates Committee has made a recommendation and in the context of that recommendation we will bear that fact also in mind which the hon. Member has now mentioned.

Shri Velayudhan: With regard to the answer to part (iv) of the question, may I know whether the Government have taken any steps to prevent filthy literature being kept in book-stalls?

Shri L. B. Shastri: Yes, Sir. We have recently appointed a small committee on each railway to visit the book-stalls and also help in screening the lists of books to be purchased.

Shri Sadhan Gupta: Since the question of attaching sleeping cars to railway trains has been long on the agenda, may I know whether any steps have been taken to introduce sleeping cars at least in all the Janata trains and, if so, in which trains are they to be introduced?

Shri L. B. Shastri: As I said, the matter is still under consideration but the sleeping cars will be attached to Janata trains first. The idea is to provide sleeping coaches on the Janata trains first and then we might consider attaching these coaches to other trains.

Shri Kamath: Is the hon. Minister, Sir, aware of his eminent colleague, the Prime Minister's observation the other day with regard to his plan, the Prime Minister's plan to discourage railway travel in India on the Chinese or some new Indian pattern and, if so, is he in agreement with the Prime Minister on that issue?

Shri L. B. Shastri: Well, there is no other alternative. If the House or if the hon. Member wants that we should be able to execute our plan and if we want that the railway should be able to carry raw materials as well as manufactured goods, there is no other alternative for the country or for the railways except to see to it that the passenger travel comes down or is reduced and more capacity is provided for the movement of goods and the running of goods train.

Shri Kamath: Does it mean that passenger coaches will be diverted to goods traffic?

Shri L. B. Shastri: The hon. Member has to realise that the line is the same. On the same lines, goods trains as well as passenger trains have to run. Therefore, for providing more capacity for the goods trains to move, there is, as I said no alternative but to cut down the passenger services.

Shri R. P. Garg: May I know if the Government is aware that the railway book-stalls are reluctant to keep the books of Indian authors and they give preference to foreign publishers?

Shri L. B. Shastri: It is not so. I have visited a number of stalls I think on all the railways, and I have not seen any such tendency. I have seen books of Indian authors as well as foreign authors.

Shri Bhagwat Jha Azad: May I know by what time the Government would be able to replace the three-tier berths by double-tier berths?

Shri L. B. Shastri: I think this question has been answered a number of times in this House.

Shri Bhagwat Jha Azad: I want to know by what time it will be replaced. So much time has passed and I want to know whether any decision has been reached.

Shri L. B. Shastri: Well, I think decision will still take about five to six months.

RAILWAY EMPLOYEES

*2452. **Shri Veeraswamy:** Will the Minister of **Railways** be pleased to state:

(a) whether the recommendations of the Joint Advisory Committee relating to the upgrading of the staff in ex.-S. I. Railway have been implemented;

(b) if so, the categories of staff upgraded and those which are not yet upgraded; and

(c) the reasons for delay in upgrading certain categories?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) Yes, Sir, except one relating to Shunters and Firemen.

(b) and (c). A statement is laid on Table of the Lok Sabha. [*See* Appendix XIV, annexure No. 44].

Shri Veeraswamy: May I know whether it is a fact that still there are several men in the ex-South-Indian units who have put in more than 15 years service but who have not been upgraded and who are still in the grade of Rs. 55-130, whereas in the ex-M. & S. M. units several people with less than ten years service have been upgraded?

Shri L. B. Shastri: The hon. Member is entering into details. To the question he has asked, we have replied that only two categories of shunters and firemen have not been upgraded. This question had become somewhat complicated as the recommendations made by the JAC themselves were complicated. Now a formula has been evolved by which this upgrading will be easily implemented and I think within a few months' time the shunters and firemen will also be upgraded and there will be no complaints.

Shri T. B. Vittal Rao: May I know whether this formula was evolved in consultation with the National Federation of Indian Railwaymen?

Shri L. B. Shastri: That is my impression, Sir.

Sardar A. S. Saigal: May I know whether it is a fact that the recommendations about upgrading of the staff are not being followed in all the zonal railways?

Shri L. B. Shastri: No, Sir. It has already been settled in regard to other railways and only the question had to be decided about this railway. That also has been settled and the recommendations will now be implemented.

Shri Veeraswamy: May I know whether the Railway Ministry has received a representation from the clerical staff of the commercial operating department of the ex-South-Indian Railway unit requesting for the implementation of the recommendations of the Joint Advisory Committee and, if so, what action has been taken on that?

Shri L. B. Shastri: Some representations have been received. But, as the hon. Member is aware, the general question of upgrading of all the categories in class III will soon be considered by the Railway Board. I have made an announcement in my budget speech about this and I hope it will be possible to take up that work early.

Shri Velayudhan: May I know whether, when the final standardisation comes, those employees who suffered will be getting the benefit with retrospective effect?

Shri L. B. Shastri: Yes, Sir. I feel so. In the budget speech I have mentioned that it will be given retrospective effect; that is, they will be getting from the 1st April, 1956.

C.T.O. WORKSHOP AT BAIRAGARH

***2453. Dr. Ram Subhag Singh:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether Government have decided to wind up the Central Tractor Organisation base workshop at Bairagarh;

(b) if so, the reasons therefor; and

(c) what will happen to the equipment of that workshop?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) to (c). There is a proposal to wind up the Bairagarh workshop of the Central Tractor Organisation as a measure of economy. If it is finally decided to close the Bairagarh workshop, the equipment at Bairagarh needed for the Delhi workshop will be brought to Delhi. The rest will be disposed of.

डा० राम सुभग सिंह: जो कर्मचारी वहां पर काम करते है, क्या वे भी दिल्ली लाये जायेंगे या वे हटा दिये जायेंगे ?

डा.० पी० एस० देशमुख: कोशिश की जायेगी कि हम जब तक ऐब्जार्ब कर सकतें हैं तब तक करें ।

Shri Jangde: What is the reason that everything is being centralised at Delhi and many workshops and offices are being shifted from other places to Delhi?

Dr. P. S. Deshmukh: That is not the intention. As I have already stated in my reply, this is a measure of economy.

The Minister of Food and Agriculture (Shri A. P. Jain): I may inform the hon. Member that there is already a workshop in Delhi and some machinery may be brought from Bairagarh to Delhi so that this workshop may be enlarged to meet the full demands of this organisation.

Shri Ramachandra Reddy: May I know whether the possibility of transferring this equipment to somewhere in South India and establishing a Central Tractor Organisation has been considered?

Dr. P. S. Deshmukh: There is no such proposal. In fact, we are trying to diminish the activities of the Central Tractor Organisation and not to expand them.

Dr. Jaisoorya: May I know whether the Central Tractor Organisation is working properly anywhere in India?

Dr. P. S. Deshmukh: Everywhere, it is working properly.

Shri Bhagwat Jha Azad: May I know whether the Finance Ministry has finally given up the idea of insisting on the Food and Agriculture Ministry to wind up this entire show and if it is not so, whether this is the beginning or the prelude of the final winding up of the C. T. O. completely?

Shri A. P. Jain: The Finance Ministry, at one time, wanted this organisation to be closed immediately. But, after further talks and negotiations between the two Ministries, it has been decided that while the organisation may not be expanded, yet, the equipment now in hand with the organisation may be utilised until it is exhausted.

बिलासपूर रेल्वे कालोनी में स्कूल

*२४५८. **श्री जांगडे** : क्या रेल्वे मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि रेलवे कालोनी बिलासपुर के प्राथमिक और हिन्दी-अंग्रेजी माध्यमिक स्कूलों में हरिजन और भूमिजनों से अप्रैल, १९५६ तक की पूरी फीस वसुल कर ली गयी है ;

(ख) क्या यह भी सच है कि माध्यमिक स्कूलों में हरिजन छात्राओं से भी पूरी फीस वसूल की गयी है ;

(ग) क्या यह भी सच है कि उसी स्कुल में पढ़ने वाले दो सगे भाइयों या बहनों से अलग अलग पूरी फीस वसुल की गयी है ; और

(घ) क्या सरकार मध्य प्रदेश सरकार द्वारा उस के १९५६ के बजट में की गई घोषणा के अनुसार फीस सम्बन्धी निर्णयों को, उन का अध्ययन करने के बाद, लागू करने के लिये राजी हो गयी है ?

रेल्वे तथा परिवहन मंत्री (श्री एल० बी० शास्त्री) : (क) से (ग). जी हाँ ।

(घ) मध्य प्रदेश सरकार से रेलवे इस सम्बन्ध में जानकारी हासिल कर रही है ।

श्री जांगडे : क्या मैं जान सकता हूं कि जबकि मध्य प्रदेश शासन ने गत दो वर्षों से और उसके और पहले से हरिजनों और भूमिजनों से मैट्रिक तक की फीस माफ कर दी है तो क्या कारण है कि दो वर्षों से प्राइमरी स्कुलों में रेलवे मंत्रालय ने हरिजनों और भूमिजनों से शुल्क लिया?

श्री एल ०बी० शास्त्री : मेरे खयाल में इस मामले में रेल्वे की तरफ से थोड़ी सी देरी हुई है और मैं समझता हूं कि यह काम जल्दी होना चाहिए था । लेकिन अब जो सहायता कई जगहों पर लड़कों को फीस के सिलसिले में मिल रही है वह हम भी रेलवे में दे रहे हैं और जो घोषणा मध्य प्रदेश की सरकार ने अपने बजट में की है, उसके बारे में हम सारी जानकारी हासिल करने के लिए कारवाई कर रहे हैं ।

श्री जांगडे : क्या रेलवे मंत्रालय इस बात का प्रबन्ध करेगा कि उन प्रदेशों में जहां पर कि रेलवे मंत्रालय द्वारा ये पाठशालायें अच्छी तरह नहीं चलाई जा सकीं उनको उन प्रदेशों के शासनों को दे दिया जाए और उनको फाइनेंस रेलवे मंत्रालय करे ताकि स्कूल सुगमता से चल सकें ?

श्री एल० बी० शास्त्री : जी नहीं, प्रबन्ध करने में कोई दिक्कत नहीं है । सवाल रुपये का है । अगर रुपया मध्य प्रदेश की सरकार या दूसरी स्टेट गवर्नमेंटस दे दें तो हम और अच्छी तरह से इन स्कूलों को चला लेंगे ।

श्री जांगड़े : क्या रेलवे मंत्रालय को मालूम है कि मध्य प्रदेश शासन ने यह एलान किया है कि १४ वर्ष तक के बालकों को चाहे वे किसी भी धर्म या जाति से सम्बन्ध रखते हों, निःशुल्क शिक्षा दी जाएगी तथा जिन के पास २० एकड़ से कम जमीन है उनके लड़कों को मैट्रिक तक मुफ्त शिक्षा दी जाएगी, यदि हां तो क्या रेलवे मंत्रालय भी इस पर अम्ल करेगा ?

श्री एल० बी० शास्त्री : जी हां, मध्य प्रदेश की सरकार ने कहा कि जो रेलवे का ज्यादा खर्चा होगा इन फीसों के न मिलने के कारण, वह ज्यादा खर्चा मध्य प्रदेश की सरकार रेलवे को देगी ।

श्री धुसिया : जिन आफिसर्स की वजह से इतनी देरी हुई थी क्या उनका कोई एक्सप्लेनेशन काल किया गया है या क्या उनके खिलाफ कोई एकशन लिया गया है अगर नहीं, तो क्यों नहीं?

श्री एल० बी० शास्त्री : यह सवाल तो माननीय सदस्य का गैर जरूरी है । लेकिन जरूर उनसे पुछ ताछ की जा सकती है कि क्यों देरी उनकी तरफ सें हुई ।

POST OFFICE BUILDING AT BUSTA

*2464. **Shri K. C. Jena:** Will the Minister of **Communications** be pleased to state:

(a) whether any amount has been sanctioned for the post office building at Busta in the District of Balasore, Orissa;

(b) if so, the date on which it was sanctioned and the amount thereof;

(c) the progress made so far in the construction work; and

(d) the date by which the construction of the said building is likely to be completed?

The Minister in the Ministry of Communications (Shri Raj Bahadur):

(a) Yes.

(b) Date of sanction ... 31-10-1955
Amount ... ... Rs. 37,456

(c) Plan being finalised.

(d) Possibly by the end of this year.

Shri K. C. Jena: May I know under whose supervision the work is being done?

Shri Raj Bahadur: The buildings are constructed under the supervision of the C. P. W. D.

Shri K. C. Jena: May I know how far the work has proceeded?

Shri Raj Bahadur: As I said, the plan is being finalised. Sanction has been given, and the type-design is being finalised.

LOKAMANYA TILAK'S BIRTHDAY CENTENARY

*2466. **Shri M. D. Joshi:** Will the Minister of **Communications** be pleased to state:

(a) whether postal stamps are proposed to be issued to celebrate the birthday centenary of Lokamanya Tilak;

(b) if so, of what denominations; and

(c) the arrangements contemplated for the sale of these stamps at Ratnagiri, the birth-place of Lokamanya Tilak?

The Minister in the Ministry of Communications (Shri Raj Bahadur): (a) Yes.

(b) In single denomination of Annas 2.

(c) The first symbolic sale of the centenary stamps will be made at the birth place of Lokamanya Tilak in Ratnagiri in advance of the sale elsewhere on the day in question.

Shri M. D. Joshi: May I know what other programmes are contemplated on that day in Delhi and elsewhere?

Shri Raj Bahadur: So far as the Postal Department is concerned, the occasion is to be celebrated by the issue of Lokamanya Tilak commemoration stamps.

Shri Altekar: May I know whether post-cards are also issued in his memory?

Shri Raj Bahadur: Only stamps are being issued.

Shri D. C. Sharma: May I know who is designing the postage-stamp of the two-anna denomination, and what is the individual characteristic of this postage-stamp?

Shri Raj Bahadur: It is the Nasik printing press that gives us the proof. They select the best available portaits of Lokamanya Tilak and the best selection made out of them is then transcribed on the stamp.

RAILWAY PAY CLERKS

*2467. **Dr. Rama Rao:** Will the Minister of **Railways** be pleased to state the protection that is being given to the pay clerks in view of the cash that they carry while travelling on duty on railways?

The Minister of Railways and Transport (Shri L. B. Shastri): Pay Clerks on the Southern Railway are escorted by 3 unarmed Cash and Guard Peons. Pay Clerks on the Northern, North Eastern, Eastern and Western Railways are escorted by two armed guards. Information in regard to the other two Railways is being collected and will be laid on the Table of the House.

Dr. Rama Rao: May I know whether the Government have come to know of an incident on the 26th April last in Godavari station where a pay-clerk was removed from his compartment because he refused accommodation for a chaprassi of the Minister?

Shri L B. Shastri: We have received some reports.

Dr. Rama Rao: May I know whether the N. G. O. Association in Madras have represented to the Government, the Railway Board and the Minister about the serious incident in which the man was arrested and taken to hospital for testing whether he was alcoholic and was released only at 12-30 in the night after the doctor had said that there was no sign of alcoholism, and what action has the Government taken on this matter?

Shri L. B. Shastri: We have received some reports regarding this incident, but we are not still aware of the true facts. The Andhra Government will have to look into this matter because there was some scuffle in the railway station and it has become more or less a law and order question. So, it is for the State Government to go into this matter further and do the needful.

Dr. Rama Rao: The fact of the case is that the Minister went to the compartment and .got him removed. Though the man was a humble pay-clerk, he was carrying cash on behalf of the railway and while he was in charge of the cash.

Mr. Speaker: The hon. Member is making a speech. What is the question?

Dr. Rama Rao: Is it not the duty of the Railway Minister to institute an enquiry into this serious matter and bring it to the notice of the Chief Minister and the Government of Andhra that no Minister or anybody else for that matter can remove a pay-clerk who is carrying cash on behalf of the railway?

Shri L. B. Shastri: We will make further enquiries and try to obtain the facts. But primarily and necessarily, this matter will have to be gone into by the State Government itself, because, as I said, there was some scuffle between the pay-clerk and some policemen there. So, it will have to be looked into by the State Government. Of course, I have no doubt that the State Government, if they find that their staff are at fault, will take necessary action against them.

SOIL EROSION

*2468. **Shri Sanganna:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether the State Chief Engineers have been asked to work out detailed schemes and estimates on afforestation to prevent soil erosion and floods;

(b) if so, whether the schemes have been received from each State; and

(c) the estimated cost of each scheme, State-wise?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) The State Govts. have been asked to submit schemes for soil conservation on agricultural lands, desert areas, river valley projects, hilly regions, ravine areas and waste lands, during the 2nd plan period. The schemes may include proposals for afforestation as a means of preventing soil erosion. Measures for flood control will however fall within the purview of the Flood Control Board under the Ministry of Irrigation and Power.

(b) and (c). Yes. A statement showing the scheme, so far received and the estimated expenditure thereon, is laid on the Table of the Lok Sabha. [*See* Appendix XIV, annexure No. 45].

Shri Sanganna: May I know why the anti-erosion schemes for implementation in collaboration with the Madhya Pradesh Government in respect of Hirakud Dam project and Andhra Government in respect of Machkund Hydro-electric scheme have been omitted from the list?

Dr. P. S. Deshmukh: I would ask my hon. friend to give notice of this question. I do not have all the details here.

Shri Sanganna: As a result of the implementation of these schemes, it appears that landless people who are given to shifting and jhum cultivation will be dislocated. What steps have been taken by the Government to rehabilitate them in their locality?

Dr. P. S. Deshmukh: As a result, we would try to avoid dislocation or ousting of any people. But, if national interests demand, we will try to see what can be done for them. But, the schemes will have to proceed.

Shri Debendra Nath Sarma: I do not find any anti-erosion scheme for Assam. May I know the reason for that?

Dr. P. S. Deshmukh: There is; 2-A. It has been added later on. Total amount Rs. 8·50 lakhs; loan Rs. 6·375 lakhs; subsidy Rs. 1·0625 lakhs and State's share is 1·0625 lakhs.

Shri A. M. Thomas: May I enquire why research in regard to sea erosion and works connected with it are not included in this plan? May I enquire whether Government has any schemes to include them also?

Dr. P. S. Deshmukh: There is a proposal with the assistance of a foreign Government to have some scheme of this nature, and probably in due course we will take up. We have yet to go a long way. As I said before we reach the sea, there are many problems on the land itself.

Shri R. S. Diwan: The loans granted by the Central Government in this respect to the State Governments are not spent at all by some of the States. May I know whether the Central Government has any control over such default?

The Minister of Food and Agriculture (Shri A. P. Jain): Soil conservation is quite a new thing in India. We are carrying on some research work, some experimentation and also we are giving some training. It is a fact that the loans made are not always used by the State Government. But, with some progress of works, we hope that they will be utilised by the State Governments.

CATERING ON GRAND TRUNK EXPRESS

***2469. Shri S. V. Ramaswamy:** Will the Minister of **Railways** be pleased to state:

(a) how many dining cars are there to serve the Grand Trunk Express;

(b) how often the dining cars failed to be attached to the Grand Trunk Express since departmental catering was started;

(c) the reasons why there is such frequent reporting of the dining cars as 'sick';

(d) the average days of 'sickness' of the dining cars per month during the days of private catering;

(e) the arrangements that have been made for feeding the passengers on those days; and

(f) the steps being taken to see that they run regularly?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) to (f). A statement is placed on the Table of the Lok Sabha. [*See* Appendix XIV, annexure No. 46].

Shri S. V. Ramaswamy: From the statement I find......

Some Hon. Members: Louder please.

Shri S. V. Ramaswamy: Nothing wrong with my voice; something wrong with the mike.

Shri Nambiar: The mike is absolutely all right. Throat is bad.

Shri S. V. Ramaswamy: I find from the statement that on five occasions the dining cars fell sick within 21 days after the Government took over catering. From the statement I also find that before the Government took over and there was private catering, it fell sick only roughly on three occasions a month. May I know why the dining car fell sick so often after the Railways took over?

Shri L. B. Shastri: It seems that because there is plenty of food in the dining cars. Perhaps it takes more food than it should. Anyhow, it is due to mechanical defects, hot axle etc. I am sorry there have been frequent happenings like that. We are taking necessary action and I hope that the dining car will not fall sick so frequently.

Shri S. V. Ramaswamy: From the statement I also find that these cases of hot axle and some other mechanical defects such as cradle hanger bolt breaking in service, etc., occur only after the Government took over. There were not such things before. Why?

Mr. Speaker: Does the hon. Member suspect sabotage?

Shri S. V. Ramaswamy: I understand that there have been last minute cancellations of the attaching of the dining cars. Why does it take place?

Shri L. B. Shastri: The hon. Member is labouring under a misapprehension. The dining car used to fall sick before also, as he has just now said, thrice a month. It is not a new thing altogether. We cannot rely on the machines. They are generally regular. But, they got sruck up without any notice. Even new cars and new vehicles get stuck up. They do not move; there is some difficulty. What is essential is that the mechanical department should pay more attention to this. I am also considering, that a new dining car, as soon as it is built, may be attached to the G. T. Express.

Shri Kamath: Is the Minister aware that since catering on the G. T. Express was nationalised or rather departmentalised towards since the end of April—a month ago almost midsummer—aerated waters and iced drinks have been withdrawn from catering in the G. T. Express, and if so, has it been done with a view to discouraging railway travel in pursuance of the Government's new policy?

Mr. Speaker: Everything is switched over to this policy.

Shri L. B. Shastri: I am not aware of that. I shall enquire about it.

Shri Kamath: Every Member will bear witness.

Shri L. B. Shastri: I do not propose to take such steps to reduce the passenger travel.

Shri T. B. Vittal Rao: In view of the fact that hot axle etc., happen very frequently during summer months, does Government propose to institute any enquiry or pay sufficient attention to these dining cars, especially for hot axle?

Shri L. B. Shastri: This has happened frequently on the Southern Railway. I do not know why. It may be due to Shri Nambiar or some other friend. But, we will certainly pay special attention to the Southern Railway. I think that the mechanical department should be able to rectify it.

Shri B. S. Murthy: May I know what steps are taken to get fresh stocks of cooked food examined by medical officers? At what stage is this examination conducted when the train is running?

Shri L. B. Shastri: We have got medical officers. The District Medical Officer is there. It is part of his duty to come and inspect the restaurants and dining cars and see that the food supplied is suitable, medically and whether it is wholesome or not.

Shri S V. Ramaswamy: Since the dining cars are falling sick often, is there a programme for the replacement by new dining cars? What is the programme for dining cars in the Second Five Year Plan?

Shri L. B. Shastri: Because I said that I am thinking of providing a new dining car, the hon. Member has come forward with another supplementary. We are making a few dining cars. There is no special programme in the Second Five Year Plan for building dining cars. As regards the Southern Railway, if it would be possible, as I have said, I may be able to arrange a new dining car being provided for the G. T. Express.

श्रीमती शिवराजवती नेहरू : क्या यह सही है कि रेल्वे मिनिस्ट्री ने यह निश्चय किया है कि डिब्बो में जो एलार्म-चेन्ज लगी हुई है, वे आयंदा बंद कर दी जाये ?

WARE-HOUSES

***2470. Shri K. C. Sodhia:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) the total number of Ware-houses as distinct from godowns, referred to in Clause 25 of the Agricultural Produce (Development and Ware-housing) Corporations Bill, 1956 and the places where they will be situated and the capacity thereof:

(b) the standard plan and cost of such ware-houses; and

(c) the distinction contemplated between a godown and a ware-house?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) and (b) Provisionally it has been decided to set up 100 ware-houses with a capacity of 10,000 to 20,000 tons each. Details about location and the standard plan and cost of ware-houses are under consideration and will be finialised only after the Central Warehousing Corporation has been established.

(c) Ordinarily, the receipts issued by the licensed ware-houses are treated as negotiable instruments, whereas in the case of godowns no such negotiable receipts are issued.

Shri K. C. Sodhia: What will be the total cost of maintaining the ware-houses?

Dr. P. S. Deshmukh: If my hon. friend is referring to the Central ware-houses, it costs about Rs. 80 to Rs. 100 per ton.

The Minister of Food and Agriculture (Shri A. P. Jain): I might inform the hon. Members that this question has been discussed in this House some days ago for three days continuously. and we have passed the Bill recently. We are not in a position to give the details. The details will have to be worked out by the Corporation and the Board.

WAGE BOARD FOR WORKING JOURNALISTS

***2470-A. Shri Gidwani:** Will the Minister of **Labour** be pleased to state:

(a) whether the attention of Government has been drawn to the resolution passed by the Executive Committee of the Indian and Eastern Newspaper Society to dissociate itself from the Wage Board for Working Journalists as at present constituted and asking Government to reconstitute the same; and

(b) if so, the attitude of Government in the matter?

The Deputy Minister of Labour (Shri Abid Ali): (a) and (b). In reply to a letter from the Executive Committee communicating this resolution, Government have explained that in nominating members to represent employers and employees, they have attempted to give representation to all interests and that the fact that one member was formerly a member of the Press Commission was no bar to his selection as he came on to the Wage Board as representative of one particular section of employers. The Committee's reply is awaited.

Shri Gidwani: The Members do not know this question. Shall I read it?

Mr. Speaker: 2470-A. I think hon. Members have got that addition.

Shri Gidwani: I have got the question, but Members do not know what is that question.

Mr. Speaker: No, no. I do not know if it has been printed.

Shri Gidwani: It was originally 2484. Because my first question was postponed to another date, this has been substituted. So, I want to read the question, so that the Members should know and take some interest.

Some Hon. Members: Yes.

Mr. Speaker: No.

Shri Gidwani: All right. The previous question is 2484.

What is the number of newspapers in India and how many of them are members of the Indian and Eastern Newspaper Society?

Shri Abid Ali: The total number is 4,708. Dailies 308, tri- and bi-weeklies 51, weeklies 1,189 fort-nightlies 379, monthlies 1,689, quarterlies 283, other periodicals 788. I may also add that it was made clear to the Society that one representative would be assigned to the Indian Language Newspapers Association, one to the Society for representing the big newspapers and that one would be reserved for papers which were unattached in the sense that they were not members of either body. The number of members who are associated with the Indian and Eastern Newspaper Society is 95, and with the Indian Language Newspapers Association 79.

Shri Gidwani: Is it a fact, that, as the resolution of the Society says, they were asked to nominate two representatives out of the three representatives of employees in the Board, and out of these two representatives nominated by the Society only one has been appointed to the Board and the other representative has been nominated by the Government? If so, what was the reason for doing so?

Shri Abid Ali: I have already submitted that from the very beginning this Society was aware that they would have to nominate only one representative, and eventually the Society was also told that we were thinking of Shri Kesava Menon as representative of the unattached newspapers and they signified their assent to that.

श्री भक्त दर्शन : क्या यह सत्य है कि अखिल भारतीय पत्र सम्पादन सम्मेलन ने भी इस वेज (वेतन) बोर्ड के संगठन सम्बंध में अपना मतभेद प्रकट किया है और उसकी आलोचना की है, और क्या इन सब कठिनाइयों को हल करने के लिए माननीय मंत्री महोदय कोई गोलमेज सम्मेलन बुलाने का विचार कर रहे है ?

श्री आबिद अली : मै ने इस किस्म की चीज अखबारो में छपी हुई देखी थी लेकिन मैं अर्ज कर चुका हूं कि जिन जिन संस्थाओं को प्रतिनिधि भेजने का हक दिया गया है उन्हीं को हक था और इसलिए उनसे प्रतिनिधि मांगें गये थे । इस बारें में और कोई कार्वाई तो जरुरी नहीं है ।

Shri Joachim Alva: Has Government observed the anti-democratic nature of the Indian and Eastern Newspaper Society inasmuch as that society charges Rs. 1000 annual fee, a fee which cannot be afforded by the majority of Indian newspapers?

The Minister of Labour (Shri Khandubhai Desai): I think that question does not arise from this question.

Shri Gidwani: Has the attention of the Government been drawn to the statement issued by Dr. Sachin Sen, President of the All-India Newspaper Editors' Conference, expressing his regret that the Government should have nominated a non-journalist to represent working journalists and who is associated with the Press Commission Report ?

Shri Abid Ali: Some such things are being published in newspapers, but I may submit these are far from facts.

STRIKE IN SHIPPING COMPANIES IN BOMBAY AREA

***2471. Dr. J. N. Parekh:** Will the Minister of **Transport** be pleased to refer to the reply given to Short Notice Question No. 16 on the 7th May, 1956 and state the steps taken to bring the situation arising out of strike of men of some shipping companies in Bombay to normality ?

The Minister of Railways and Transport (Shri L. B. Shastri): An understanding has since been reached between Scindia Company and the Jahazi Mazdoor Union to refer the dispute to arbitration. As a result of this understanding, the strike was called off on the 8th May, 1956 and the situation is now reported to be normal.

Dr. J. N. Parekh: May I know the loss in man-hours and money as a result of this strike ?

Shri L. B. Shastri: I shall require notice.

Dr. J. N. Parekh: May I know when the findings are likely to be finalised ?

Shri L. B. Shastri: This is a matter not between the Government and the employees. It is a matter between the Scindias and the workers who are working with that company and it is for the company to decide about this as early as possible. I am told that the Chairman of that company and Shri Asoka Mehta have been appointed as arbitrators, and it is for them to submit their recommendations at an early date.

Shri Joachim Alva: After the strike in the Scindia and Bharat Steam Navigation company has ended, has Government conducted any enquiry into the conditions of employment in the foreign companies which are operating at the Bombay and Calcutta ports ?

Shri L. B. Shastri: No, Sir.

AIR SERVICES

***2472. Shri D. C. Sharma:** Will the Minister of **Communications** be pleased to state :

(a) whether there is any proposal to extend the foreign air services ; and

(b) if so, to which countries ?

The Minister in the Ministry of Communications (Shri Raj Bahadur): (a) and (b). Air India International's present equipment does not permit of any additional services to be operated. The Corporation is expecting one additional aircraft shortly, when it may start some additional services. Whether these services will be operated to countries to which the Air India International does not operate at present or whether the frequency of some of the existing services to various countries should be increased, has not yet been decided. The various possibilities are being explored.

Shri D. C. Sharma: May I know whether the operation of services to these foreign countries is contemplated under the Second Five Year Plan, and if so, what is the amount that is going to be spent on this ?

Shri Raj Bahadur: The expansion of our international services depends upon the equipment that we can acquire, and that is a continuous process, continuing from year to year, so the expansion depends upon the acquisition of new aircraft.

Shri D. C. Sharma: May I know if the Indo-U.K. negotiations are in any way standing in the way of the extension of our foreign services ?

Shri Raj Bahadur: I do not think that the Indo-U.K. negotiations in regard to the periodical review of the agreement with U.K. stands in any way in the way of the extension of our services.

Shri Joachim Alva: Sir......

Mr. Speaker: The Question Hour is over.

Shri Joachim Alva: One question.

Mr. Speaker: How can I allow?

SHORT NOTICE QUESTION AND ANSWER

AIRCRASH AT AHMEDABAD

S. N. Q. No. 19. Shri Gidwani: Will the Minister of **Communications** be pleased to state:

(a) whether an Indian Airlines Corporation's Dakota on a scheduled flight from Bombay to Karachi crash-landed at Ahmedabad Air Port on the morning of the 18th May;

(b) the causes of the crash; and

(c) whether Government propose to take adequate measures to stop repetition of such crashes?

The Minister of Communications (Shri Jagjivan Ram): (a) to (c). I would like to make a brief statement.

An Indian Airlines Corporation's Dakota aircraft while engaged on a scheduled passenger service from Bombay to Karachi met with an accident at about 9 A.M. on the 18th May 1956 while landing at Ahmedabad airport. The accident is under investigation, but a preliminary report indicates that the aircraft first touched down approximately 100 yards short of the runway, bounced and came down touching the ground with the port wing. The aircraft then dragged on the wing tip to some extent and made a turn approximately of 180 degrees. The engines came off the aircraft, and the port main wheel and the tail wheel also came adrift. There was no fire, but the aircraft was completely wrecked.

There were 16 passengers on board and 4 members of the crew. The passengers received minor injuries. The pilot received severe head injuries, the Air Hostess suffered a compound fracture on the leg, while the radio officer suffered a simple fracture on the leg. The co-pilot escaped with slight injuries.

Government have been taking all suitable steps to prevent accidents.

Shri Gidwani: May I know how many crashes have occurred after nationalisation of the Air Companies Services?

Shri Jagjivan Ram: I think there were some accidents. I have not got the list with me from the very beginning. But there were some accidents in 1953. 1954 was a very fortunate year, when we had practically no major accident. 1955 was also a fortunate year when but for one accident, we had none. This year, unfortunately, from January up to this month, we had one major accident at Kathmandu, and one at Tezpur, where the casualty was only two, and this at Ahmedabad where the casualty was none.

Shri Dabhi: May I know whether it is a fact that it was due to the presence of mind of the air hostess, who had the passengers out of the wrecked plane at the time of emergency, that these passengers were saved, and if so, whether Government propose to give any reward to her?

Shri Jagjivan Ram: The air hostess displayed exemplory courage and presense of mind, and helped in extricating the passengers. Suitable reward will be given to her.

Shri Joachim Alva: Is it not true that these accidents are due to the fact that we are trying to bulge out internally and externally, trying to have more lines, when we have no control on our organisation of pilots and when we have not got enough pilots too?

Shri Jagjivan Ram: If I may say so, the question has bulged out of my hon. friend on some misinformed data provided to him. I shall tell him the experience of the pilots here, and that will indicate whether we are bulging out without experienced pilots or not. I would request that Members should be careful of what questions they put and of what insinuations are implied in those questions. The experience of the pilot and the co-pilot is as follows :

Captain Engineer (Pilot) :

Total hours	...	6350
Command hours	...	900

Captain Gurbachan Singh (Co-Pilot) :

Total hours	...	2700
Hours on D. C.	...	2100

Shri Joachim Alva : Is it not true that the top pilots have to put in 5,000 hours of flight, and that some of the major accidents which have occurred as at Khatmandu and other places are due to the fact that the pilots had not been put even in the minimum of 2000 hours of flight ?

Shri Jagjivan Ram : I again repudiate that insinuation. Only the other day, I gave the flying hours that had been put in by the pilot even in the Khatmandu case.

श्री एम० एल० द्विवेदी : इंडियन ऐअरलाइंस कारपोरेशन के जो अधिकारी बम्बई से हवाई जहाज द्वारा फौरन घटना स्थल पर पहुंचे थे उन लोगों से इस सम्बध में क्या सहायता मिली ?

श्री जगजीवन राम : किस मामले में ?

श्री एम० एल० द्विवदी : इस केस के सम्बध में ?

श्री जगजीवन राम : वे अधिकारी जो जाँच करने गये थे, उन्होंने जांच करने के बाद एक प्रीलिमिनेरी रिपोर्ट दी है और जिसे मैने आपको अभी बताया ?

Shri Feroze Gandhi : In view of the fact that it was stated that the engines broke off as the aircraft touched the ground, may I know whether the landing gear of this aircraft had failed ?

Shri Jagjivan Ram : We can say that only after the full enquiry is over. These matters have not been gone into yet, and the exact cause of the accident will be known only after the investigation. What I have said are the preliminary causes which are more or less obvious.

Shri G. S. Singh : The Minister had stated that here is always a court of enquiry for these crashes. May I know the reasons for the reluctance on the part of Government to publish the findings of these courts of enquiries ?

Shri Jagjivan Ram : I do not understand how the hon. Member draws such an inference. All the reports of all the courts of enquiries are published, and if the hon. Member cares to read them, he can read them.

Shri Kamath : Is it not a fact that many of the progressive countries—I mean, progressive from the point of view of aviation—have taken or are taking the Dakota off their internal air services ? Is it a fact that many experts hold that the old Dakota is not good enough for the new age ?

Shri Jagjivan Ram : The opinion of the experts is just the contrary. They hold that the Dakota is the sturdiest aircraft produced, and it can continue for many more years to come.

Shri Kamath : What about the first part of the question ? Have the other countries given it up ?

Mr. Speaker : He has said that the opinion of the experts is to the contrary.

Shri Kamath : That is in reply to the second part of my question. The first part of the question was whether in some of the progressive countries the Dakotas have been taken off the internal air services. That has not been answered.

Shri Jagjivan Ram : In no country has the Dakota been completely taken off.

Shri Kamath : Mostly.

Shri V. P. Nayar : May I know when this particular Dakota was completely overhauled last, and also how many flying hours this Dakota had put in before the crash, after the overhaul ?

Shri Jagjivan Ram: The aircraft was overhauled on 29th June 1955, and was valid till 28th June 1956. Since the last certificate of airworthiness it did 1172 hours. In the case of the engines, after the last overhaul, one engine had done 450 hours, and the other had done 220 hours. The aircraft, which had undergone a major check of aircraft and engine on 30th April had done only 60 hours after that.

Shri H. N. Mukerjee: In view of the fact that atmospheric conditions for aviation in most parts of our country are comparatively favourable, will Government tell us what special measures are being taken to prevent the kind of recurrent accidents which have lately been taking place and which are bad for our country and its reputation from every point of view.

Shri Jagjivan Ram: I do not agree to the latter part of the question......

Some Hon. Members: *rose.*

Mr. Speaker: The Minister gave certain details of statistics of a number of accidents year after year, and he is of the opinion that there is no foundation for such a remark.

Shri Jagjivan Ram: In fact, I was going to say that there is no basis for this inference. Even in comparison to other countries, our record is quite good. We have been taking all possible steps, and we had laid on the Table of the House only on the 18th of this month the various details of the steps that we have been taking to avoid accidents as far as is humanly possible.

WRITTEN ANSWERS TO QUESTIONS

RAILWAY DISPENSARIES

***2445. Chaudhuri Muhammed Shaffee:** Will the Minister of **Railways** be pleased to state:

(a) whether it is a fact that no Railway Dispensary is located for the Railway Staff at Delhi, Baroda House and Shahdara;

(b) if so, the reasons therefor;

(c) whether Government are considering the question of providing Railway Dispensaries at the above places; and

(d) if so, when?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) There are six dispensaries in Delhi but none at Baroda House or Shahdara.

(b) The staff working in Baroda House attend the College Lane Dispensary which is quite near. Railway staff residing at Shahdara, when fit to travel, attend the Railway Hospital, Delhi. When they are confined to bed, the line doctor attends on them on receipt of a call.

(c) and (d). There is no proposal for the provision of a dispensary at Baroda House. Provision of a dispensary at Shahdara, has, however, been made in the Second Five Year Plan.

POSTAGE ON BOOK PACKETS

***2448. Shri Ibrahim:** Will the Minister of **Communications** be pleased to state:

(a) whether it is a fact that the increase in postage on book packets has resulted in the fall of revenue from this item in 1955-56 as compared to 1951-52; and

(b) if so, to what extent?

The Minister in the Ministry of Communications (Shri Raj Bahadur): (a) No.

(b) Does not arise.

AGRICULTURAL STATISTICS

***2454. Shri Krishnacharya Joshi:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether Government have decided to train second batch of State Revenue and Land Record Officers in the new standards, definitions and concepts connected with the collection of agricultural statistics;

(b) if so, when the training will commence; and

(c) the duration of the training?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) The Training of State Revenue and Land Records Officers was organized by the Government of India in 1955 in three batches. The third and the last batch received training during September to November, 1955.

(b) and (c). Do not arise.

CALCUTTA PORT TRUST

***2455. Sardar Iqbal Singh:** Will the Minister of **Transport** be pleased to state:

(a) whether it is a fact that some employees of the Calcutta Port Trust have gone on strike;

(b) if so, their total number;

(c) the date when the strike commenced;

(d) the demands of the employees;

(e) the efforts made by the authorities concerned to prevent the strike; and

(f) whether any arrangements have been made for emergency handling of ships in the harbour?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) to (d). Coal Dock Workers of the Calcutta Port Commissioners numbering about 2,400 went on strike on the 17th April, 1956, as a protest against the temporary employment of some gangs composed of workers recruited through the Regional Employment Exchange. The strike was called off unconditionally on the 29th April, 1956.

(e) The strike was without notice.

(f) The strike was called off three days after alternative arrangements for loading coal ships were put into effect.

नागा क्षेत्रों में रेलवे कर्मचारी

***२४५७. श्री रघुनाथ सिंह :** क्या रेलवे मंत्री यह बताने की कृपा करेंगे कि :

(क) आसाम राज्य में नागा विद्रोहियों द्वारा कितने रेलवे कर्मचारी मारे गये या घायल हुए ;

(घ) वे कितने रेलवे कर्मचारियों को उठा ले गये ;

(ग) इन विद्रोहियों से कर्मचारियों की कितनी हानि हुई ; और

(घ) क्या यह सच ह कि रेलवे कर्मचारियों की नेशनल फेडरेशन की कार्यकारणी समिति ने आसाम सें नागा विद्रोहियों से रेलवे कर्मचारियों के जीवन और सम्पत्ति की रक्षा करने के लिये सरकार से शीघ्र से शीघ्र कार्यवाही करने की मांग की है ?

रेलवे तथा परिवहन मंत्री (श्री एल० बी० शास्त्री) : (क) से (ग). कोई नहीं ।

(घ) जी हाँ ।

RAILWAY EMPLOYEES

***2459. Shri Bheekha Bhai:** Will the Minister of **Railways** be pleased to state:

(a) whether it is a fact that a large number of railway employees are awaiting confirmation in Railways;

(b) if so, the number of temporary and railway employees zone-wise; and

(c) whether it is a fact that period of probation is much longer in railways than in any other Ministry?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) and (c). The information is being collected and will be laid on the Table of the House.

RAILWAY DISCIPLINARY RULES

***2460. Shri Ganpati Ram:** Will the Minister of **Railways** be pleased to state:

(a) whether in accordance with the railway disciplinary rules and the accepted principles of Natural Justice disciplinary proceedings against a railway servant can be conducted by the same original and appellate punishing authorities if the revisionary authority on a consideration of his revision petition, comes to the conclusion that the case was improperly conducted;

(b) if so, under what rule and regulation and the principle of Natural Justice; and

(c) if not, whether there have been any infringements of these basic and salutary rules on the Indian railways during the period from the 1st April, 1954 to the 31st March, 1956?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) Yes, Sir, if there was only a procedural flaw.

(b) There is no rule as such but it can be done on the same principle as an appellate Court directing a lower court to retry a case.

(c) Government are not aware of any such case.

SAURASHTRA RAILWAY CORRUPTION CASES

***2461. Shri Chattopadhyaya:** Will the Minister of **Railways** be pleased to refer to the reply given to Starred Question No. 1975 on the 7th May, 1956 and state:

(a) the total amount paid to 3 officers of the *Ex*-Saurashtra Railway by way of subsistence allowance from the date of suspension to the end of the 30th April, 1956; and

(b) the stage at which investigations into the case started by the Special Police Establishment stands?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) Rs. 72,859-8-0.

(b) The Special Police Establishment, Bombay, has registered a case against the officers on 9-5-56 and the case is under investigation.

VELLORE-CONJEEVARAM RAILWAY LINE

***2465. Shri T. B. Vittal Rao:** Will the Minister of **Railways** be pleased to refer to the reply given to Starred Question No. 44 on 17th February, 1956 and state:

(a) whether the traffic survey for a 44 mile long metre gauge railway line between Vellore and Conjeevaram has started; and

(b) if so, when it is likely to be completed?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) Yes.

(b) By about August, 1956.

RAILWAY LANDS

***2473. Shri Bibhuti Mishra:** Will the Minister of **Railways** be pleased to state:

(a) whether Government are aware that railway lands are slowly being encroached upon in every zone by people living close to railway lines; and

(b) if so, the steps taken to prevent the same?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) Yes, Sir.

(b) Prompt action is taken for removal of such encroachments with the help of local Civil authorities. Preventive measures like putting up fencings or construction of boundary walls are also taken in thickly populated areas.

PARCEL TRAFFIC

***2474. Sardar A.S. Saigal:** Will the Minister of **Railways** be pleased to state:

(a) whether it is a fact that there has been a heavy detention of parcel traffic on Western Railway; and

(b) if so, the measures that have been adopted by the administration to minimise the detention as last year perishable traffic suffered heavy detention at Delhi for want of clearance?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) and (b). A statement is laid on the Table of the House [*See* Appendix XIV, annexure No. 47].

PASSENGER AMENITIES COMMITTEE

***2475. Shri K. P. Tripathi:** Will the Minister of **Railways** be pleased to state:

(a) the recommendations of the Rao Committee for passenger amenities that have been implemented in Assam; and

(b) how long it will take to implement the rest of the recommendations?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) A statement is laid on the Table of the Sabha. [*See* Appendix XIV, annexure No. 48.]

(b) Although most of the recommendations have been implemented or are in the process of implementation, it is not possible to indicate precisely the date by which the remaining recommendations would be implemented.

CENTRAL CO-OPERATIVE BANKS

***2476.** **Thakur Jugal Kishore Sinha:**
Shri Asthana:

Will the Minister of **Food and Agriculture** be pleased to state:

(a) the State-wise break-up of the Central Co-operative Banks that are likely to operate in the Second Five Year Plan according to the recommendations of the Rural Credit Survey Report;

(b) the basis on which the number of the existing Central Co-operative Banks is going to be reduced; and

(c) the number of existing Central Banks which will be reduced State-wise?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) and (b). The Rural Credit survey Committee has recommended that ordinarily there should be one Central Bank for each district with a minimum owned capital of Rs. 3 lakhs. The State Governments are taking action to implement this recommendation by a process of amalgamation of weaker Central Banks. The state-wise break-up will not be available for some time.

(c) Does not arise.

TRAIN SERVICE FROM CALCUTTA TO DARJEELING THROUGH EAST PAKISTAN

***2477. Dr. Ram Subhag Singh:** Will the Minister of **Railways** be pleased to state:

(a) whether the Government of India have proposed to the Government of Pakistan to open a railway passenger service from Calcutta to Darjeeling through East Pakistan territory; and

(b) If so, whether any reply has been received regarding that proposal?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) Yes, Sir. It was proposed in November, 1955 by the Ministry of External Affairs (India) to the High Commissioner for Pakistan in India that a through passenger service from Calcutta to Haldibari, passing through East Bengal territory, be run bi-weekly as an experimental measure for the convenience of passengers going to Darjeeling.

(b) No, Sir.

VEGETABLE PRESERVATION

***2478. Shri Krishnacharya Joshi:** Will the Minister of **Food and Agriculture** be pleased to state whether Government propose to constitute Statutory National Boards for the development of fruit and vegetable preservation industry in India?

The Minister of Food and Agriculture (Shri A. P. Jain): No. The question of setting up a Fruit and Vegetable Development Board as an advisory body is, however, under consideration.

नागा क्षेत्रो में रेलवे सम्पत्ति

***२४७८. श्री रघुनाथ सिंह :** क्या **रेलवे** मंत्री यह बताने की कृपा करेंगे कि नागा विद्रोहीयों द्वारा रेलवे सम्पत्ति को कितनी क्षति पहूंची ?

रेलवे तथा परिवहन मंत्री (श्री एल० बी० शास्त्री) : कोई नहीं ।

रेलवे सम्बन्धी रियायतें

***२४८०. श्री जांगड़े :** क्या **रेलवे** मंत्री यह बताने की कृपा करेंगे कि क्या मध्य प्रदेश में पंचमढ़ी के अतिरिक्त अन्य स्वास्थ्य-लाभ के स्थानों पर जाने के लिये रेलवे भाड़े में रियायत दी जायेगी ?

रेलवे तथा परिवहन मंत्री (श्री एल० बी० शास्त्री) : जी, नहीं ।

RAILWAY CROSSING AT SAMLOTI

***2481. Shri Bheekha Bhai :** Will the Minister of **Railways** be pleased to state :

(a) whether it is a fact that a representation had been made by the people for the construction of a railway crossing at Samloti on the Kangra Valley Section of Northern Railway ;

(b) if so, whether it is a fact that the people by their own participation have constructed a 19 mile road and have made a demand for a level crossing ; and

(c) whether Government are aware that by denying this crossing the whole people's participation will go waste and result in set back to voluntary labour in hilly areas of Kangra ?

The Minister of Railways and Transport (Shri L. B. Shastri) : (a) and (b). Yes, Sir.

(c) It is not correct to state that the Railway crossing in question is being denied as it has not been possible to provide it owing to the inability of the party requiring the facility to bear the initial cost of construction and recurring maintenance charges in accordance with the extent rules.

STEAMER FARES ON KONKAN COAST

***2482. Shri M. D. Joshi :** Will the Minister of **Transport** be pleased to refer to the reply given to Starred Question No. 691 on the 14th March, 1956 and state :

(a) whether the report of Shri N. S. Lokur, regarding the steamer fares of B.S.N. Co. on the Konkan Coast has been submitted to Government ; and

(b) if so, when it will be published?

The Minister of Railways and Transport (Shri L. B. Shastri) : (a) Not yet.

(b) Does not arise.

CULTIVATION OF BARLEY

***2483. Dr. Rama Rao :** Will be Minister of **Food and Agriculture** be pleased to state :

(a) whether Government are experimenting anywhere with the newly developed British hybrid variety of Barley which is reported to "have consistently given yields about 25 per cent higher than the present varieties in India" ; and

(b) if so, where ?

The Minister of Food and Agriculture (Shri A. P. Jain) : (a) No. The seeds of this variety are being obtained from U.K. for testing their performance under Indian conditions.

(b) Does not arise.

SETTLEMENT OF CLAIMS ON RAILWAYS

***2485. Shri K. P. Tripathi :** Will the Minister of **Railways** be pleased to state :

(a) whether any representations have been received for increasing the value of settlement of claims in Pandu region locally ;

(b) if so, the amount thereof ;

(c) whether any decision has been taken ; and

(d) whether any time limit for settlement of such claims is under consideration ?

The Minister of Railways and Transport (Shri L. B. Shastri) : (a) Yes, Sir.

(b) One suggestion is for settlement of claims up to Rs. 1000 and another is for settling all claims without any upper limit.

(c) The matter is under consideration.

(d) A general target of 3 months in the case of local and 6 months in the case of foreign traffic has been laid down.

कोयले का बेकार चूरा

*२४८६. श्री ग्रार० सी० शर्मा :
श्री जांगड़े :

क्या रेल्वे मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि रेलवे प्रशासन ने मध्य रेलवे के स्टेशानों पर बेकार पड़े रहने वाले कोयले के चूरे को ठेके पर बेचना बन्द कर किया है ; ग्रौर

(ख) क्या सरकार को पता है कि इस कारण से इंटों के पकाने में कठिनाई हो रही है ग्रौर इंटों की कीमत बढ़ गयी है ?

रेलवे तथा परिवहन मंत्री (श्री एल० बी० शास्त्री) : (क) जी नहीं । कोयले का चूरा रेलवे के काम में ग्राता है, जनता को बेचा नहीं जाता ।

(ख) सवाल नहीं उठता ।

FIRE ACCIDENT ON GOODS TRAIN

***2487. Shri Bheekha Bhai:** Will the Minister of **Railways** be pleased to state :

(a) whether it is a fact that fire broke out in goods train at Mandal on the 26th April, 1956 ;

(b) if so, the causes for the same ;

(c) whether any enquiry has been held ; and

(d) if so, the result thereof ?

The Minister of Railways and Transport (Shri L. B. Shastri) : (a) At about 15-00 hours on 26-4-56 while No. 1182 Down Goods train was running between Mandal and Lambia stations on Ajmer-Khandwa M. G. Section of the Western Railway, Wagon No. 15133 next to the engine caught fire at mile 71/13.

(b) to (d). An enquiry was held by a Committee of Railway Officers. Their finding is that *prima facie* the fire was caused by a spark from the engine.

गाडी दुर्घटना

*२४८८. **श्री रघुनाथ सिंह :** क्या रेलवे मंत्री यह बताने की कृपा करेंगे कि क्या यह सच हैं कि ५ मई, १९५६ को मध्य रेलवे के भुसावल स्टेशन के समीप एक मालगाडी दूसरी मालगाडी के साथ टकरा गई ग्रौर उस के परिणामस्वरूप एक कर्मचारी मर गया ग्रौर ग्रन्य दो घायल हो गये ?

रेलवे तथा परिवहन मंत्री (श्री एल० बी० शास्त्री) : ४–५–१९५६ (न कि ५–५–१९५६, को लगभग १५ बजकर ५२मिनट पर मध्य रेलवे के भूसावल-इगतपुरी दोहरी लाईन शेक्सन पर भुसावल स्टेशन के "ए." केबिन के पास १३ ग्रप मालगाड़ी ग्रप गुड्स सैन्ड हम्प साइडिंग (Up Goods Sand Hump Siding) में घुस गयी जिससे उसका इंजन ग्रौर उसके साथ वाले दो डिब्बे पटरी से उतर गये । इस दुघटना में एक ग्रागवाला वहीं मर गया ग्रौर दो ग्रागवालों को चोट ग्रायीं ।

BOMBAY-KONKAN RAILWAY LINE

***2489. Shri M. D. Joshi :** Will the Minister of **Railways** be pleased to state :

(a) whether the resolution recently unanimously adopted by the Bombay Municipal Corporation urging the construction of the Bombay-Konkan Railway line has come to the notice of Government ;

(b) whether it is a fact that all Local Boards, Municipalities and other Local Self Government Bodies have made the same demand repeatedly ; and

(c) if so, the action Government propose to take in the matter ?

The Minister of Railways and Transport (Shri L. B. Shastri) : (a) No.

(b) Representations have been received from some of them.

(c) Preliminary Engineering and Traffic Surveys for Diva-Dasgaon Project have been completed and the reports are under examination. Further, an aerial survey of the Dasgaon-Ratnagiri-Mangalore area has been carried out by the Surveyor General of India and this is being studied for considering a railway alignment in this area.

UNEMPLOYED PERSONS

2306. { Chaudhuri Muhammed Shaffee:
Shri D. C. Sharma :

Will the Minister of **Labour** be pleased to state:

(a) the total number of unemployed persons on the roll of the Employment Exchanges on the 31st March, 1956 in India, State-wise;

(b) the total number of persons who have been given employment from the 31st March, 1955 to the 31st March, 1956 in India State-wise; and

(c) the number of such persons still on waiting list?

The Minister of Labour (Shri Khandubhai Desai): (a) to (c) A statement is laid on the Table of the House. [*See* Appendix XIV, annexure No. 49.]

CENTRAL TRACTOR ORGANISATION

2307. Chaudhuri Muhammed Shaffee: Will the Minister of **Food and Agriculture** be pleased to state:

(a) the total acreage of land brought under cultivation by the Central Tractor Organisation during 1955-56, State-wise;

(b) the total number of employees therein;

(c) the total amount spent on it;

(d) the loss or profit, if any; and

(e) the reasons thereof?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) The areas reclaimed in the 1955-56 operational season are indicated below. Operations for the season are continuing and the figures given represent work done upto the end of April, 1956.

State	Area reclaimed (Acres)
Assam	2,001
Bhopal	7,270
Uttar Pradesh ...	8,200
Madhya Pradesh ...	11,000
Madhya Bharat ...	11,250
Total ...	39,721

The above figures are provisional.

(b) 1,770 on the 30th April, 1956.

(c) to (e). The operational season 1955-56 has not yet come to a close and the accounts have not therefore been finalised so far.

PUBLIC CALL OFFICE AT GHATAL

2308. Shri N. B. Chowdhury: Will the Minister of **Communications** be pleased to state:

(a) whether the proposal to have a public call office at Ghatal in the district of Midnapur has been considered; and

(b) if so, the decision taken?

The Minister in the Ministry of Communications (Shri Raj Bahadur): (a) and (b). The proposal was considered last year and dropped, as it involved a heavy loss. It will be reviewed further during this year.

TOURISM

2309. Shri Debendra Nath Sarma: Will the Minister of **Transport** be pleased to state:

(a) whether any Scheme has been submitted by the Government of Assam for the development of tourism in that State for inclusion in the Second Five Year Plan; and

(b) if so, the details thereof?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) Yes, Sir.

(b) A statement giving the required information is laid on the Table of the House. [*See* Appendix XIV, annexure No. 50.]

ALL INDIA COUNCIL OF POST-GRADUATE MEDICAL EDUCATION

2310. Shri Krishnacharya Joshi: Will the Minister of **Health** be pleased to state:

(a) whether extension to the All India Council of Post-Graduate Medical Education has been given after the 10th April, 1955; and

(b) the work done by the Council upto the 10th April, 1955?

The Minister without Portfolio (Shri V. K. Krishna Menon): (a) The answer is in the negative.

(b) The All India Council of Post-Graduate Medical Education was constituted on the 26th September, 1949, for prescribing standards of post-graduate Medical Education for the guidance of Universities, and for advising Universities with a view to securing uniformity of standards for post-graduate Medical Education throughout the Country.

The Council reviewed the position of post-graduate medical education obtaining in the different Universities in the Country from time to time, and appointed expert committees to frame regulations and syllabuses for some of the post-graduate courses. The reports of such committees for the post-graduate course in Public Health (D.P.H.) and for post-graduate training in anaesthesia were considered by the Council and the draft regulations accepted by the Council were circulated to the different Universities. The Council also examined the regulations and syllabus for a post-graduate course in radiology and a plan of studies for Diploma in Psychological Medicine to be conducted at the Institute of Mental Health in Bangalore. These courses have been recommended by the Council for adoption.

The Council appointed Visiting Committees to visit institutions and submit reports in respect of up-grading of departments in Medical Colleges and Hospitals or institutions of post-graduate diplomas in certain Universities. The names of the institutions inspected by Visiting Committees are given below:—

1. Aligarh University—for institution of a post-graduate diploma in Ophthalmology.
2. Prince of Wales Medical College, Patna—for upgrading the Department of Physiology.
3. Andhra Medical College, Visakhapatnam—for upgrading the Department of Pathology.
4. Mary Calvert Holdsworth Memorial Hospital—for recognition as a Centre for training of House Surgeons.

DACOITIES ON TRAINS

2311. **Chaudhuri Muhammed Shaffe:**
Shri D. C. Sharma:
Mulla Abdullahbhai:

Will the Minister of **Railways** be pleased to state:

(a) the number of dacoities committed on trains from the 1st October, 1955 to the 30th April, 1956 in India, zone-wise;

(b) the number of arrests made in this connection and the number of cases in which property was recoverd; and

(c) the number of cases in which culprits were prosecuted and punished by Courts?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) to (c). A statement is laid on the Table of the House [*See* Appendix XIV, annexure No. 51.]

EMPLOYMENTS' STATE INSURANCE SCHEME

2312. Shri Velayudhan: Will the Minister of **Labour** be pleased to state:

(a) the total number of class 1, 2, 3 and 4 officials posted in the Employees State Insurance Scheme till now;

(b) the number of officials posted through the Union Public Service Commission examinations and selection;

(c) the number of officials directly recruited and later appeared before the Union Public Service Commission and selected;

(d) the number directly recruited in each category ; and

(e) the number of scheduled castes as class 1, 2, 3 and 4 officials seperately ?

The Minister of Labour (Shri Khandubhai Desai) :

(a)	Class I	..	10
	Class II	..	62
	Class III	..	1,244
	Class IV	..	409
(b)	Class I	..	6
	Class II	...	62
	Class III	..	Nil
	Class IV	..	Nil
(c)	Class I	..	1
	Class II	..	1
(d)	Class I	..	4 (Principal Officers)
	Class II	..	Nil
	Class III	..	1,244
	Class IV	..	409
(e)	Class I	..	Nil
	Class II	..	Nil
	Class III	...	83
	Class IV	..	58

LOCUST CONTROL

2313. Shri Ram Krishan : Will the Minister of **Food and Agriculture** be pleased to state the price of each Beavers type Aircraft intended for the locust control operations ?

The Minister of Food and Agriculture (Shri A. P. Jain) : The price of each Beaver aircraft with special agricultural equipment is about 72,832 Canadian dollars or approximately Rs. 3·64 lakhs. Two aircrafts of this type are being obtained from the Government of Canada under the Colombo Plan.

MANGO FRUIT

2314. Shri Shree Narayan Das: Will the Minister **of Food and Agriculture** be pleased to state :

(a) the prospect of mango fruit in various parts of the country this year ;

(b) whether it is a fact that due to hailstorms the prospect of this crop has been blighted ; and

(c) if so, the nature and extent of damage caused ?

The Minister of Food and Agriculture (Shri A. P. Jain) : (a) to (c). Information is being collected from the State Governments and will be placed on the Table of the Lok Sabha as soon as it is received.

BRIDGES IN TRIPURA

2315. Shri Biren Dutt : Will the Minister of **Transport** be pleased to state :

(a) the number of temporary bridges on roads to Kurti in Tripura ;

(b) the amount so far spent on the repair of these bridges from the date motor vehicles have started plying over them ; and

(c) when permanent bridges are expected to be constructed in place of these temporary bridges ?

The Minister of Railways and Transport (Shri L. B. Shastri) : (a) and (b). A statement giving the required information is laid on the Table of the House [*See* Appendix XIV, annexure No. 52.]

(c) No forecast is possible at this stage.

RAILWAY EMPLOYEES

2316. Shri H. N. Mukerjee : Will the Minister of **Railways** be pleased to state :

(a) whether his attention has been drawn to memoranda submitted to Government by the staff of Sakrigalighat (Eastern Railway) in May and September, 1955 ;

(b) whether he is aware that promises made by the Government in Parliament is September, 1954 regarding provision of certain essential amenities in Sakrigalighat remain in the main unimplemented ; and

(c) whether an early decision will be taken in the matter ?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) Yes, Sir.

(b) and (c). This is not correct. Action has been taken where necessary in many cases and the rest are being expedited.

POSTAL FACILITIES FOR BACKWARD AREAS

2317. **Shri Bheekha Bhai:** Will the Minister of **Communications** be pleased to state:

(a) whether it is a fact that preference is given in the matter of extending postal and telephone facilities to backward areas, specially Scheduled areas; and

(b) if so, whether Government are aware that some backward areas in Rajasthan have not been provided with postal and telephone facilities?

The Minister in the Ministry of Communications (Shri Raj Bahadur): (a) Yes, the permissible limit of loss for opening new post offices in areas scheduled as very backward for provision of Postal facilities has been raised to Rs. 1,000 per post office per year as against the normal limit of Rs. 750 per annum for post office in villages or groups of villages having a population of 2,000 or more.

Regarding telephone facilities no preference is given except in the case of District Headquarters or Sub-Divisional Towns.

(b) All Backward areas of Rajasthan are being provided with post offices and there are no outstanding demands from local authorities who are usually consulted in regard to extension of postal facilities in such areas. There is, however, scope for opening more post offices in these areas and this will be done during the Second Five Year Plan period.

RAILWAY ACCIDENTS

2318. **Dr. Satyawadi:** Will the Minister of **Railways** be pleased to state:

(a) the number of Railway employees involved in accidents while on duty and who have been declared unable for any manual work during the year 1955;

(b) the number of employees who died as a result of such accidents;

(c) the number of the injured or dead who have been paid suitable compensation; and

(d) the total amount paid as compensation?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) 210.

(b) 138.

(c) 10,510.

(d) Rs. 7,39,296-4-0.

NOTE: The above figures are exclusive of figures of the Eastern Railway which are being collected and will be separately placed on the Table of the House.

RAILWAY EARNINGS

2319. **Sardar A. S. Saigal:** Will the Minister of **Railways** be pleased to state:

(a) what is the average cash collection of a district for financial years 1952-53, 1953-54, 1954-55 and 1955-56 on Western and Central Zonal Railways; and

(b) what percentage of it is the the actual penalty charged *i.e.* how much of it is on account of ticketless travelling and what amount is towards excess freight charges for the above years?

The Minister of Railways and Transport (Shri L. B. Shastri): (a)

	*******Western Railway*** Rs.	*******Central Railway*** Rs.
1952-53 .	2,11,120	3,16,511
1953-54 .	2,14,286	2,64,515
1954-55 .	2,46,401	2,44,862
1955-56 .	2,12,205	2,47,263

**The figures shown under these Railways represent the average annual cash collections made by the ticket checking staff in each District of Western Railway and each Division of Central Railway, there being 16 Districts on the former and 8 Divisions on the latter.

(b) *Western Railway*—

	Penalty	Excess Freight charges
1952-53	12·9%	17·3%
1953-54	12·8%	10·7%
1954-55	11·3%	11·1%
1955-56	11·3%	11·0%

Central Railway—

	Penalty	Excess Freight charges
1952-53	22·33%	22·26%
1953-54	22·33%	23·61%
1954-55	22·25%	26·55%
1955-56	22·67%	27·27%

RAILWAY EARNINGS

2320. Sardar A. S. Saigal: Will the Minister of **Railways** be pleased to state the amounts collected on voluntary information on account of the extension of journey or change to higher class—on Western and Central Railways during the years 1952-53, 1953-54, 1954-55 and 1955-56?

The Minister of Railways and Transport (Shri L. B. Shastri): A statement showing the requisite information is laid on the Table of the House. [*See* Appendix XIV, annexure No. 53.]

TICKET EXAMINERS

2321. Sardar A. S. Saigal: Will the Minister of **Railways** be pleased to state:

(a) the number of posts of Ticket Examiners and Chief Ticket Inspectors which have been upgraded since 1948 on Western and Central Railways;

(b) what used to be the strength of Ticket Inspectors in a district Division prior to the year 1948 and what it is today on Western and Central Railways; and

(c) the average collection by the Railway on account of penalty and ticketless travelling prior to the year 1948 as against the years 1952-53, 1953-54, 1954-55, 1955-56 on the above two Railways?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) to (c). A statement giving the required information is laid on the Table of the House. [*See* Appendix XIV, annexure No. 54.]

RAILWAY EMPLOYEES

2322. Sardar A. S. Saigal: Will the Minister of **Railways** be pleased to state:

(a) whether it is a fact that on Western Railway selected candidates of selected posts are shown as officiating for years together although they have been absorbed against a permanent vacancy in their turn on the panel; and

(b) the reasons why they should not be confirmed immediately from the date when absorbed against a permanent vacancy and should be made to suffer by showing as officiating which causes great discontent amongst the staff?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) Yes, confirmations were delayed for various reasons.

(b) The conflicting claims of the staff of the integrating units had to be reconciled, before confirmations could be ordered. Confirmations are now in hand.

RAILWAY MILEAGE IN ASSAM

2323. Shri K. P. Tripathi: Will the Minister of **Railways** be pleased to state the railway mileage per square mile and per unit of population in Assam as compared to that obtaining in other States?

The Minister of Railways and Transport (Shri L. B. Shastri): Information relating to the railway mileage per square mile and per unit of population in various States is not available as statistics of route mileage are maintained for the individual Railway System as a whole and not state-wise.

KHWANG-MORASS LINE TO DIBRUGARH

2324. Shri K. P. Tripathi: Will the Minister of **Railways** be pleased to state whether there is a proposal to extend the Khwang-Morass line to Dibrugarh?

The Minister of Railways and Transport (Shri L. B. Shastri): The hon. Member is perhaps referring to the Khowang-Moranhat Section. There is no proposal at present for its extension to Dibrugarh.

RIVER CONSERVANCY

2325. Shri K. P. Tripathi: Will the Minister of **Transport** be pleased to refer to the reply given to Starred Question No. 1589 on the 20th April, 1956 and state:

(a) the proposals for dredging and river conservancy operations in the Brahmaputra and Barak rivers;

(b) whether they have been accepted; and

(c) whether the river maintenance of Brahmaputra is to be taken up as Central responsibility?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) and (b). The following proposals relating to dredging and river conservancy have been included in the Second Five Year Plan:—

(1) Dredging of Key shoals and approaches to important river ghats on the Brahmaputra.

(2) Snag-clearing on the Brahmaputra.

(3) Installation of automatic beacons for Night navigation on the Brahmaputra.

(c) No. The schemes mentioned above have been included in the Second Five Year Plan of the Ganga Brahmaputra Water Transport Board, which functions with financial assistance from the Central and State Governments.

PETROLEUM TRANSPORT

**2326. { Shri K. P. Tripathi:
Shri Debendra Nath Sarma:**

Will the Minister of **Railways** be pleased to state the steps, if any, under contemplation for transporting petroleum found in Naharkatiya (Assam)?

The Minister of Railways and Transport (Shri L. B. Shastri): The matter has not yet been finalised.

FAMILY PLANNING

2327. Shri Madiah Gowda: Will the Minister of **Health** be pleased to state:

(a) the number of persons who are benefited from the Family Planning Centre at Ramanagaram, Mysore, from the time of its starting uptil now; and

(b) the amount of money spent during this period?

The Minister without Portfolio (Shri V. K. Krishna Menon): (a) 1102.

(b) Rs. 1,21,049.

BEGGARS ON TRAINS

2328. Shri Veeraswamy: Will the Minister of **Railways** be pleased to state:

(a) whether any raids were carried out by Railway Police to prevent beggar nuisance at Railway Stations on Indian Railways in the months of January, February and March 1956;

(b) if so, the names of the Zonal Railways where such raids were conducted;

(c) the number of beggars apprehended on each Railway; and

(d) whether any beggars were given punishment?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) Yes.

(b) Eastern, South-Eastern, Western and Southern.

(c) During January, February and March, 1956.

Eastern	1593
South Eastern ...	73**
Western	1028
Southern	232†

(d) Yes.

**Excluding figures pertaining to the State of Orissa, which are awaited †Excluding figures pertaining to the States of Bombay and Andhra, which are awaited.

CENTRAL FOOD GODOWNS IN MADRAS STATE

2329. Shri I. Eacharan: Will the Minister of **Food and Agriculture** be pleased to state:

(a) the present stock of rice and other foodgrains in the Central Government Food Godowns in Madras State; and

(b) how much out of that is held in the godowns in Malabar District?

The Minister of Food and Agriculture (Shri A. P. Jain): (a)

(a)	Rice ...	31,576 tons
	Paddy ...	18,831 ,,
	Wheat ...	3,018 ,,
		53,425 ,,

(b) 3,894 tons Paddy.

COLLEGE OF CATERING AND INSTITUTIONAL MANAGEMENT

2330. Shri Krishnacharya Joshi: Will the Minister of **Food and Agriculture** be pleased to state:

(a) the number of trainees receiving training at present in the College of Catering and Institutional Management; and

(b) the number of persons who have been trained so far by the institute?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) The College is at present closed for the vacation. The new term will commence from the 18th June, 1956. So far about 130 applications have been received for admission to the new term.

(b) 103.

SOIL CONSERVATION SCHEMES

2331. Shri Krishnacharya Joshi: Will the Minister of **Food and Agriculture** be pleased to state the number of trained personnel working in the various soil conservation schemes at present?

The Minister of Food and Agriculture (Shri A. P. Jain): The number of trained personnel working in the various Soil Conservation Schemes under the Central Government, is 55. Information about the number of trained personnel working in the Soil Conservation schemes in the States is not available.

EXTRA DEPARTMENTAL POST OFFICE

2332. Shri Ramananda Das: Will the Minister of **Communications** be pleased to state:

(a) whether the Extra-departmental Post Office at Sadar Bazar, Barrackpore has been converted into a Departmental Post Office from March, 1956;

(b) the monthly expenses for the E. D. Post Office before and after departmentalization separately; and

(c) the income derived before and after departmentalization of this Post Office?

The Minister in the Ministry of Communications (Shri Raj Bahadur): (a) Yes; it has been converted into a Departmental Sub Office with effect from 16th March, 1956.

(b)	When it was Extra Departmental Sub Post Office	After conversion into Departmental Sub Office.
Monthly cost	Rs. 94-7-1	Rs. 311-10-8
(c)	When it was Extra Departmental Sub Office	After conversion
Monthly Income	Rs. 491-5-0	Rs. 491-5-0

रेलगाड़ी का चलाया जाना

२३३३. श्री जांगडे : क्या रेलवे मंत्री यह बताने की कृपा करेंगे कि :

(क) दुर्गापुर से बिलासपुर या रायगढ़ तक स्थानीय सवारी गाड़ी चलाने पथा हावड़ा-नागपुर लाइन पर जनता एक्सप्रेस गाड़ी चलाने के लिये डिब्बे कब तक उपलब्ध हो जायेंगे ; और

(ख) क्या १९५६ की समाप्ति की तक इन गाड़ियों को चलाने का विचार है ?

रेलवे तथा परिवहन मंत्री (श्री एल० बी० शास्त्री) : (क) तथा (ख). हावड़ा-नागपुर सेक्शन पर अधिक गाड़ियां चलाने का इस समय कोई प्रस्ताव नहीं है । इस सेक्शन पर दोहरी लाइनें बिछायी जारही हैं और लाइन की क्षमता बढ़ाने के कुछ दूसरे काम भी जारी हैं। अनुमान है कि ये काम दूसरी पंजवर्षीय योजना के अन्त तक पूरे हो जायेंगे । इन कामों के पुरा हो जाने पर इस सैक्शन पर अधिक गाड़ियां चलाने के सवाल पर विचार किया जायेगा ।

आयुर्वेदिक शिक्षण कालेज

२३३४. श्री जांगडे : क्या स्वास्थ्य मंत्री यह बताने की कृपा करेंगी कि :

(क) केन्द्रीय सरकार द्वारा सहायता प्राप्त आयुर्वेदिक अध्यापन या प्रशिक्षण कालेजों से १९५१ से १९५६ के बीच विभिन्न पाठ्य-क्रमों में सफल हो कर और उपाधियां प्राप्त करके कितने विद्यार्थी निकले हैं ; और

(ख) उन सफल विद्यार्थियों में से कितने विद्यार्थी केन्दीय सरकार के अधीनस्थ हस्पतालों में लगाये गये हैं ?

बिना विभाग के मंत्री (श्री वी० के० कृष्ण मेनन) :

(क) इस बारे में सूचना एकत्र की जा रही है जो मिलने पर सभा की मेज पर रख दी जायगी ।

(ख) केन्द्रीय सरकार के नियन्त्रण में कोई आयर्वेदिक अस्पताल नहीं हैं । इसलिए सफल आयुर्वेदिक विद्यार्थियों को ऐसे अस्पतालों में लगाने का प्रश्न ही नहीं उठता ।

कोटला मुबारकपुर

२३३५. श्री जांगडे : क्या स्वास्थ्य मंत्री यह बताने की कृपा करेंगी कि :

(क) दिल्ली सुधार प्रन्यास ने किस वर्ष में कोटला मुबारकपुर बस्ती, नई दिल्ली, को अपने नियंत्रण में लिया था ;

(ख) इस बस्ती की कुल जनसंख्या कितनी है और वहां तक अब पीने के पानी, नालियों, सड़कों, प्रकाश, टट्टियों और शिक्षा की क्या सुविधायें प्रदान की गई है ;

(ग) अब तक कितने लोगों पर इस कारण जुर्माना किया गया है कि उन्होंने उस तरीके पर अपनेम कान नहीं बनवाये, जिस तरीके पर बनाने के लिये सुधार प्रन्यास ने कहा था, अथवा जिन्होंने अवैध ढंग से अपने मकान बनाये हैं और

(घ) इस बस्ती में हरिजनों की संख्या कितनी है ?

बिना विभाग के मंत्री (श्री वी० के० कृष्ण मेनन) :

(क) दिल्ली सुधार प्रन्यास ने अभी तक इस बस्ती को अपने नियंत्रण में नहीं लिया है ।

(ख) जनसंख्या : २५,०००

पीने का पानी : कुओ निजी हैन्ड पम्पों और फिल्टर पानी के दो सार्वजनिक नलों द्वारा पीने के पानी की व्यवस्था की गई है । बारह और सार्वजनिक नलों के लगाने के प्रश्न पर दक्खिन दिल्ली म्युनिसिपल कमेटी विचार कर रही है ।

नालियां : पानी के निकास के लिए सुव्यवस्थित नालियों नहीं हैं, लेकिन पुरानी बस्ती की आबादी में पक्की नालियों बनाई जा रहीं हैं । कोटला बस्तों के एक भाग से एक लम्बी कच्ची नाली के जारिये पानी का निकास सेवानगर मे किया जा रहा है ।

सड़के : कोटला मुबारकपुर में हीरासिंह बाजार रोड नामक एक पक्की सड़क का निर्माण दक्षिण दिल्ली म्युनिसिपल कमेटी द्वारा पुरा हो चुका है । कमैटी का विचार एक और सड़क बनाने का है जो हीरासिंह बाजार को पंजाबी बस्ती के साथ मिलायेगी ।

प्रकाश : कमेटी ने हाल हो में मिट्टी-तेल के २८ लैम्पों की व्यवस्था की है। सड़कों पर बिजली की रोशनी के प्रश्न पर विचार किया जा रहा है।

टट्टियां : दक्खिन दिल्ली म्युनिसिपल कमेटी द्वारा अर्जुन नगर व वजीर नगर में सार्वजनिक टट्टियों की बीस जगहें-प्रत्येक दस जगहों की दो पंक्तियां बनाई गई हैं।

शिक्षा : दक्खिन दिल्ली नगरपालिका समिति उस क्षेत्र में स्थित दो स्कूलों को सहायक अनुदान देने का विचार रखती ह।

(ग) ७५।

(घ) हरिजनों की जन-गणना का कोई अलग रिकार्ड नहीं है, लेकिन उनकी जनसंख्या ५ और ६ हजार के बीच आंकी जाती है।

यात्री सुविधायें

२३३६. श्री जांगडे : क्या **रेलवे** मंत्री यह बताने की कृपा करेंगे कि :

(क) मध्य रेलवे पर बीना और कटनी के बीच कितने स्टेशनों पर यात्रियों के लिये शेड बनवाये गये हैं; और

(ख) क्या यह सच है कि इस मार्ग पर बीना और कटनी के अतिरिक्त किसी भी स्टेशन पर भोजन की व्यवस्था नहीं है ?

रेलवे तथा परिवहन मंत्री (श्री एल० बी० शास्त्री) : (क) बीना और कटनी के बीच अभी किसी स्टेशन पर छतदार प्लेटफार्म नहीं हैं। लेकिन इस सैक्शन के सभी स्टेशनों पर यात्रियों के लिये प्रतिक्षालय मौजूद हैं।

(ख) बीना और कटनी के बीच दमोह, सागर और खारकरी स्टेशनों पर चाय, काफी मिठाई और फल की दूकानें हैं।

रेलगाडीयों का चलाया जाना

२३३७. श्री जांगडे : क्या **रेलवे** मंत्री यह बताने की कृपा करेंगे कि :

(क) भोपाल या बीना को पूर्वी मध्य-प्रदेश के रायगढ़, बिलासपुर और रायपुर जैसे दूरस्थ स्थानों से मिलाने के लिये सीधी गाड़ियां चलाने और इस प्रकार समय बचाने के लिये सरकार ने क्या विचार किया है ;

(ख) क्या बीना से बिलासपुर या इलाहाबाद से बिलासपुर तक सीधी गाड़ी चलाने के प्रश्न पर पहले कभी विचार किया गया था; और

(ग) यदि हां तो उसको कार्यन्वित करने में क्या कठिनाइयां हैं ?

रेलवे तथा परिवहन मंत्री (श्री एल० बी० शास्त्री) : (क) इस तरह का कोई विचार नहीं है।

(ख) तथा (ग). कुछ दूसरी जगहों के अलावा (१) बीना होकर बिलासपुर और कोटा के बीच ; और (२) बिलासपुर होकर इलाहाबाद और वाल्टेयर के बीच भी सीधी गाड़ियां चलाने के बारे में जांच की गयी लेकिन इनके लिए यातायात पर्याप्त नहीं है।

TRAINING OF CO-OPERATIVE WORKERS

2338. Thakur Jugal Kishore Sinha:
Shri Asthana:

Will the Minister of **Food and Agriculture** be pleased to state the amount that has been allotted by Government for the year 1956-57, separately for the training of honorary and paid workers of the co-operative organisations?

The Minister of Food and Agriculture (Shri A. P. Jain): A provision of Rs. 50 lakhs has been made in the budget for the year 1956-57, jointly for Cooperative farming experiments and Cooperative Training and Education. No separate provision for training of honorary and paid workers is therefore considered necessary.

ELECTRIFICATION OF RAILWAY STATIONS

2339. Shri Bheekha Bhai: Will the Minister of **Railways** be pleased to state:

(a) whether it is a fact that some of the Railway Stations in Western Zone have not been provided with

electricity though the towns where these railway stations are located are electrified ; and

(b) if so, the names of such Railway Stations?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) Yes.

(b) A statement is laid on the Table of the Lok Sabha. [*See* Appendix XIV annexure No. 55.]

DELHI DEVELOPMENT PROVISIONAL AUTHORITY

2340. Shri Bheekha Bhai: Will the Minister of **Health** be pleased to state:

(a) whether it is a fact that Delhi Development Authority has rejected certain colonies approved by the Improvement Trust, Delhi ; and

(b) if so, how the Development Authority is going to indemnify plot holders of those colonies which are rejected by the Development Authority?

The Minister without Portfolio (Shri V. K. Krishna Menon): (a) The answer is in the negative.

(b) The question does not arise.

KHAPRAJOLA STONE QUARRY

2341. Shri Benjamin Hansda: Will the Minister of **Labour** be pleased to state:

(a) the number of stone-breaking machines installed in Khaprajola Stone Quarry in Pakaur Sub-Division of Santal Parganas District, Bihar ;

(b) the names of the Companies or firms engaged in stone breaking and crushing ; and

(c) the number of Adivasi men and women employed by the aforesaid firms in that Quarry?

The Minister of Labour (Shri Khandubhai Desai): (a) to (c). Information is being collected and will be placed on the Table of the Sabha as soon as it becomes available.

QUARTERS FOR P. & T. EMPLOYEES

2342. Shri Boovaraghasamy: Will the Minister of **Communications** be pleased to state:

(a) the amount of money proposed to be spent for the construction of quarters for the P. & T. employees in each State during the Second Five Year Plan ; and

(b) the percentage of different classes of Postal Servants, from runners to high officers, who will get quarters according to this proposal?

The Minister in the Ministry of Communications (Shri Raj Bahadur): (a) and (b). The amount to be earmarked for the construction of quarters during the Plan period has still to be finalised.

सेतु समुद्रम परियोजना

२३४३. **श्री रघुनाथ सिंह :**
श्री एस० बी० रामस्वामी :

क्या **परिवहन** मंत्री १६ अप्रैल १९५६, के तारांकित प्रश्न संख्या १४८७ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि सरकार सेतु समुद्रम् परियोजना पर कब कार्य आरम्भ करने का विचार कर रही है ?

रेलवे तथा परिवहन मंत्री (श्री एल० बी० शास्त्री) : इस प्रकार की एक बड़ी योजना के ऊपर काम शुरू करने की समय की अवधि बताना वर्तमान स्थिति में सम्भव नहीं है । इसका कारण यह है कि जरूरी तौर पर विशेषज्ञों से परामर्श लेकर बड़ी सावधानी के साथ इस योजना का अध्ययन करना होगा ।

FREIGHT CHARGES

2344. Shri Shree Narayan Das: Will the Minister of **Railways** be pleased to state:

(a) whether it is fact that a consignment of 352 tins of mustard oil has been found to have been delivered to the Consignee without payment of freight charge and the return of R. R. at Darbhanga Station of North Eastern Railway ;

(b) if so, the circumstances in which this has happened ;

(c) the steps taken so far to bring the culprit to book;

(d) whether it has been found that this practice has been in vogue there for a long time; and

(c) whether any departmental inquiry has been ordered?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) No.

(b) and (c). Do not rise.

(d) No.

(e) Does not arise.

KAGDAR BRIDGE

2345. Shri Bheekha Bhai: Will the Minister of **Transport** be pleased to state the total amount to be spent on the construction of the bridge over river Kagdar near village Kagdar on National Highway No. 8?

The Minister of Railways and Transport (Shri L. B. Shastri): The bridge is estimated to cost Rs. 4,54,100.

RISE IN FOODGRAIN PRICES

2346. Shri Bheekha Bhai: Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether it is a fact that prices of foodgrains abnormally rise in backward areas unconnected by railways;

(b) if so, whether it is a fact that due to the attractive prices, the foodgrains are exported from backward areas to other urban areas resulting in deficit in these areas; and

(c) how do Government propose to stop the rising of prices in these areas?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) The prices of foodgrains in centres in the interior away from the railhead depend largely on the local production and are low if the area is surplus in foodgrains and are high if it is deficit.

(b) Exports from interior backward areas, unconnected by rail, can take place only when prices in these areas are substantially lower than those in the urban areas. As a general rule prices in the surplus areas in the interior always remain low.

(c) The Government of India have already taken suitable remedial measures to bring down the prices in the urban areas such as banning of export, issue of wheat from Central Sales Depots freely at Rs. 14 per maund and release of substantial quantities of rice from Central stocks to State Governments at Rs. 16 per maund. These measures would reduce the demands of urban areas on the supplies in the interior and would help in bringing down the prices in internal centres as well. In suitable cases, it is open to the State Governments to arrange for distribution of rice at fair prices in such "backward" areas.

PASSENGER AMENITIES

2347. Shri K. C. Jena: Will the Minister of **Railways** be pleased to state:

(a) whether it is a fact that flush latrines and urinals do not exist in the first class waiting room at the Balasore Railway station, Orissa;

(b) whether the necessity for the construction of an overbridge at the the western side of that Railway station has been brought to the notice of Government; and

(c) if so, the decisions taken in these matters?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) Yes.

(b) No.

(c) An estimate for the provision of sanitary fittings in the upper class waiting rooms at Balasore Railway station has recently been sanctioned and the work will be taken in hand shortly. Level crossings exist at either end of Balasore Railway station yard and no proposal for providing an overbridge has been mooted so far.

WAGON SUPPLY FOR JAGGERY

2348. { Shri Bheekha Bhai :
Shri Kajrolkar :

Will the Minister of **Railways** be pleased to state :

(a) whether the attention of Government has been drawn to the news which appeared in the *Lok Manya,* Marathi daily paper from Bombay, dated the 10th May, that for want of wagon supply sugar and jaggery worth 18 lakhs is rotting in godowns in Shrirampur, Bombay State ; and

(b) if the answer to part (a) above be in the affirmative, whether it is a fact that prices of sugar and jaggery have gone down and that heavy losses are expected to cane growers ?

The Minister of Railways and Transport (Shri L. B. Shastri) : (a) Yes, but the information is exaggerated.

(b) The hold up of sugar and jaggery at Shrirampur was not abnormal. Railway Authorities have no information that there was any price fluctuation.

MALARIA IN RAJASTHAN

2349. Shri Bheekha Bhai : Will the Minister of **Health** be pleased to state:

(a) the steps taken by Government in controlling Malaria in Rajasthan ; and

(b) the areas selected for control of Malaria ?

The Minister without Portfolio (Shri V. K. Krishna Menon) : (a) To control malaria in Rajasthan the State has been allotted five malaria control units under the National Malaria Control Programme.

(b) Jalore, Udaipur, Banswara, Partapgarh and Kotah districts.

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LOK SABHA DEBATES

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(Part II—Proceedings other than Questions and Answers)

LOK SABHA

Wednesday, 23rd May, 1956

The Lok Sabha met at Half Past Ten of the Clock.

[Mr. Speaker *in the Chair*]

QUESTIONS AND ANSWERS

(*See* Part I)

11-40 A.M.

MOTION FOR ADJOURNMENT AND CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

RAILWAY WORKERS STRIKE AT KHARAGPUR AND KAZIPET JUNCTIONS

Mr. Speaker: The House will now take up the motion for adjournment tabled by Shri A. K. Gopalan, which I had held over. It reads:

> "The serious situation that has developed as a result of the strike of 10,000 workers of Kharagpur Workshop of the South Eastern Railway which has spread to the Electrical and Stores Sections, threatening to further spread to the open lines, due to the illegal extraction of work from 112 painters of the Wagon section and consequent illegal lock-out declared."

The Minister of Railways and Transport (Shri L. B. Shastri): I shall make a statement both on the strike situation in Kharagpur and other places near about, and at Kazipet.

Shri M. L. Agrawal (Pilibhit Distt. *cum* Bareilly Distt.—East): Under Rule 216, I beg to call the attention of the Minister of Railways to the following matter of urgent public importance and I request that he may make a statement thereon:

> "Firemen's strike at Kazipet Railway junction."

Shri L. B. Shastri: Shri M. L. Agrawal has desired that I should make a statement on the firemen's strike at Kazipet railway junction. With your permission, I shall deal, as I have said just now, not merely with the strike situation at Kazipet but with the situation as a whole on the Secunderabad Division of the Central Railway. I propose also to make a statement in connection with the lightning strikes that have taken place on the South Eastern Railway to enable you to deal with the adjournment motion about the strike at Kharagpur, of which two Members have given notice.

The firemen employed at Kazipet, Dornakal and Balampalli locomotive sheds on the Central Railway are on strike since the midnight of May 13|14, 1956. They were later joined by the drivers at Kazipet who stopped work from 2 p.m. on May 16. From 1 p.m. on May 15, the electrical section of the Lallaguda workshop also struck work, ostensibly in support of some grievances of theirs, but obviously in sympathy with the strikers at Kazipet. As a result 400 workmen in the mechanical workshop at Lallaguda were rendered idle on that day.

On May 17, the strike at Kazipet spread to other locomotive shed staff, and—I am quoting from a Press Note issued by the Hyderabad Government—"about three to four hundred strikers.. proceeded towards the engine of 334 up train and intimidated the engine staff. The crowd threatened to obstruct the train at any cost by force. In spite of advice and warning, the crowd did not disperse. As the crowd persisted in their difiant attitude and wanted to assault the engine staff and tamper with the engine, it was declared an unlawful assembly and tear gas shells were thrown to disperse the unruly crowd. They started pelting stones at the police party and caused extensive damage to railway property". Fiftyone strikers were arrested.

[Shri L. B. Shastri]

The electrical staff of the Lallaguda workshop who had struck work on May 15, however, returned to duty on May 18, unconditionally, but the strike of the running staff is continuing.

The demands of the firemen appear to be that, of the three grades for First Firemen, grade 'C' should be abolished, that there should be no direct recruitment to grade 'B' and also that they be paid as firemen grade 'A' when working on passenger or express trains. The relevant rules are of uniform application to all the Indian Railways and not merely to one section of a system. If any amendment of the existing practice is considered justified, there are recognised procedures for representing such cases at the district, divisional, Railway and finally all-India levels. These recognised procedures have not been employed. The strike has been declared illegal by the local Conciliation Officer. The action of the other staff in striking in sympathy with the firemen is also illegal.

The demands now put forward by the strikers are : (a) the police should be withdrawn; (b) the persons under detention should be released; (c) an inquiry should be held into the police firing, and (d) the Railway should give an informal undertaking that their demands would be supported.

As far as the first three items are concerned, this is a matter for the civil authorities to decide and this decision will obviously be influenced by the present and future behaviour of the strikers. As far as the matter of the consideration of demands of the firemen is concerned, they have been told categorically that, so long as the strike is not called off and the conditions do not return to normal, there is no question of consideration of any grievances.

As far as the South Eastern Railway is concerned, the position is that, on 1-5-56 there was some altercation between a Ticket Collector on duty and a ticketless passenger at Muri Junction station on the South Eastern Railway. Later on, there were some arguments between a Government Railway Police Constable and the Ticket Collector. It is alleged that the Constable assaulted the Ticket Collector. A Joint Inquiry Committee consisting of Railway and Police officials inquired into the incident on 3-5-56 and communicated the finding to the higher Police authorities at Patna for disposal. In the meantime, the staff demanded that the Constable should be suspended from work forthwith and as this was not done, some of them went on strike from 7 p.m. on 3-5-56. The staff were advised that any action against the Constable could only be taken in the normal manner. They insisted that the Constable be suspended. Subsequently, all the staff at Muri stopped work and the stoppage spread to Station Masters, Assistant Station Masters and Class IV staff of the roadside stations in the neighbouring sections. Later on, the staff in some of the sections of the adjacent Adra District stopped work, seriously affecting train working in that district.

On 4-5-56 the strike spread to Tatanagar where the staff squatted on the track and prevented trains from passing through. By 5-5-56, the strike had affected the entire Adra and Chakardharpur Districts and part of Bilaspur District. Only a skeleton train service could be maintained and goods trains were severely curtailed.

On 7-5-56, the staff on strike at Tatanagar added to their original demand for the suspension of the Constable, demands for the grant of city allowance at Tatanagar and an assurance that there would be no victimisation. The strikers obstructed the track, took out unauthorised processions and also attempted to interfere with station working and pulled out drivers and firemen from locomotives. Five persons were arrested and were eventually convicted. In the end, the strike was called off unconditionally by 7 p. m. on 8-5-56. At its height, just over 1100 men were on strike at one time.

A stay-in strike in the Kharagpur workshops started on 8-5-56 and has not yet been called off. No reason was given by the workers for going on strike, either before or immediately after they stopped work, nor was any notice served by them on the Administration. The strike was later alleged to be in sympathy with the stay in strike of Brush Hand Painters in the workshops, which has been going on since 1-3-56.

The strike of the Brush Hand Painters, numbering about 100, was commenced without notice, the demand being that they should not be asked to do marking with stencils as that was skilled work, for which they should receive skilled wages. Both jobs are classified as 'semi-skilled' by the Tribunal that was appointed in 1948, with a representative of the All-India Railwaymen's Federation and a neutral Chairman. There is no case for the re-examination of this decision. In fact, marking with stencils is little better than an unskilled operation.

Subsequent to the commencement of the stay-in strike in the Kharagpur workshops on 8-5-56, there was a recrudescence of trouble on the line, when two guards commenced a hunger strike on 15-5-56, being joined by another two the next day. Later a number of guards refused to work trains. Their demand was that their hours of work should be reduced.

The men were warned that they were participating in an illegal strike and the consequences were explained to them. Eventually they resumed duty by the 19th May, 1956.

The stay-in strike in the Kharagpur workshop has extended to the electrical shops, the general stores, the signal shops and the loco shed. Within the last few days a decision that had been taken by the West Bengal Government early this month declaring the Kharagpur workshops including the electrical shops to be a "protected area", making it incumbent upon everyone entering the workshops to be in possession of a permit, has been implemented.

The Union advised the workmen not to take the permits, but the number of men who accepted the permits, entered the shops and worked, was 334 on the 21st, 675 on the 22nd and 729 this morning, of whom 52 obtained permits today. The total number of men working in the workshops in the general stores and the electrical shops this morning is about 1000 out of the total normal attendance of 12,000.

I regret to inform the House that there was a recrudescence of assaults yesterday. Six workers who came out from the shops during the lunch break were set upon by the strikers and one had a collar bone broken. Seventy-two arrests were made.

Since the 1st February 1956, there have been a number of cases of illegal strikes mainly on the Central, Northern and South Eastern Railways. Only a few days back, on the Allahabad Division, some of the loco staff led by a few clerks from the office squatted on the track and held up trains demanding that they be paid their salary the next morning, just prior to *Id*. Some time back, at Kanpur, the loco shed staff struck work and interfered with trains on the ground that information about the death of a railway employee who was being treated in the civil hospital had not been communicated to them by the railway assistant surgeon in time. In March last, two workmen were arrested at Moghalsarai on a charge of attempted theft of brass from a wagon. The loco staff struck work immediately and demanded the unconditional release of the person who had been arrested. They squatted on the track and held up trains and did not return to duty till the afternoon.

Such strikes have serious repercussions. Train services are dislocated, passengers are inconvenienced, yards get congested and goods do not move.

Government view these lightning strikes with great concern. They consider that such illegal and sudden stoppages of work can have no other effect than to undermine the whole framework of our Second Five Year Plan. I have no doubt that the House will agree that it is neither fair nor proper for unions to encourage workers to resort to extreme steps on trivial matters and cause suffering to the workers themselves and to the country at large.

Even a legal strike is the last resort when all other attempts fail. But why should they fail? The machinery for negotiation at all levels, right up to that of the Railway Board exists. It should be utilised. This machinery provides fully for discussion and settlement of issues at all levels. There can even be consideration of grievances by neutral persons with Parliament as the supreme arbiter in all matters. Government is prepared to follow the accepted procedure for negotiation and settlement. Organised labour should be prepared likewise.

Shri Nambiar (Mayuram): May I seek a clarification in view of the fact that there are two separate strikes going on, one on the South Eastern Railway at Khargpur and the other on the Secunderabad Division of the Central Railway. The Government should utilise the good offices of an adjudicator to go into the question of the legitimate grievances put up by the staff in various memoranda which they have submitted and the unions haev tried to

[Shri Nambiar]

negotiate upon. I have got in my possession a memorandum submitted by the union of the South-Eastern Railway section for adjudication under sub-section (2) of section 10 of the Industrial Disputes Act and to see that an amicable settlement is reached so that victimisation might be avoided.

Mr. Speaker: Is it after or before this strike?

Shri Nambiar: Just at the time the staff strike started in Kharagpur.

Mr. Speaker: It states that they want adjudication, but the hon. Minister says that it is a lightning strike and no notice was given.

Shri Nambiar: No, Sir. There is difference. Let an adjudicator go into the question. I have also to submit that if the Railway Minister says that there will be no victimisation and that he is prepared to refer the matter to an adjudicator, the strikers will resume work and there will be a settlement possible in the interests of the Second Five Year Plan activities and quick movement of goods and passengers, which are very much dislocated at present. I hope the hon. Minister will take that step in order to avoid trouble. That is my request to him and the Unions also have approached us. I have got memoranda from them seeking such a procedure on the part of the hon. Minister.

Shri T. B. Vittal Rao (Khammam): The hon. Minister in his statement has said that a joint negotiation machinery exists at all levels, but I would submit for your consideration that this machinery has not worked very well and not worked at all satisfactorily. It was made clear during the Budget debate also. I would draw your attention to the fact that it has been acknowledged to an extent in the speech of the Railway Minister. I would earnestly request you to admit this adjournment motion so that we could have a free discussion. The hon. Minister got some information through his office and we would also place our information before the House, and the House can consider and give its judgment.

Shri Frank Anthony (Nominated-Anglo-Indians) : May I know from the hon. Minister whether the strike at Khargpur was brought about under the auspices of any particular union, and if so, whether it is a recognised union?

Shri Asoka Mehta (Bhandara): The hon. Minister told us that there is a normal machinery for negotiations. As far as my information goes, the firemen who are on strike have been trying to get their grievances redressed for the last five years, and the negotiation machinery so far has not yielded any results. I do not want to go into details, but it is not fair to say on the one hand that there is a machinery which is not being utilised and prevent the machinery from functioning in a manner whereby the grievances will be looked into and redressed at an early date. If they have waited for five years, what else they are to do except perhaps to go on a strike like this?

Mr. Speaker: Is a lightning strike permissible in a public utility enterprise without notice?

Shri Asoka Mehta: As it happens, I happen to be the President of the union concerned in the Central Railway. I have been informed by the General Secretary that the strike is not being led by the general union. It is not an authorised union. But what answer am I to give to the strikers, and how am I to persuade them to come back when I find that the hon. Minister is not prepared to look into their grievances for the last five years?

Dr. Jaisoorya (Medak): I would like to draw the attention of the hon. Minister that with regard to the Secunderabad Division, no machinery for negotiation works. That is point one. I would like also to remind the Minister that on this very issue, if my memory is correct, there was a strike some two months ago—I am not sure of the date—and the General Manager of the Central Railway immediately intervened and promised to study and rectify the matter. Now it seems to me that there has been no rectification because for that very issue, this strike has been taking place again. That is the second point. The third point which I can give you in good faith is a telegram which I have received from the Secretary to say that the State Government is refusing to release delegates for negotiation. The fourth point that I have to say—I do not know whether the hon. Minister has information—is that the families of the employees at Balampalli have been lathi-charged.

Mr. Speaker: The hon. Member is going into too many details.

Dr. Jaisoorya: I want the hon. Minister to realise that there is a peculiar situation in the Secunderabad Division which requires very careful looking into.

Shri H. N. Mukerjee (Calcutta North-East) *rose*—

Mr. Speaker: How many Members from the same party? In these matters; merely to place the point before me for coming to a decision, hon. Members may just set up one or two of their spokesmen. However, I have no objection to hear the hon. Member, Shri Mukerjee, now.

Shri H. N. Mukerjee: The hon. Minister has made a statement in which he has called upon the House to agree with his conclusions. Those conclusions are based upon a certain set of facts as they have come to the Minister. It does appear—I do not know the details of the case myself—from what has been stated by responsible Members of this House that there is perhaps a counter set of facts or more than one counter set of facts.

It is very likely that if some time is set apart for a discussion of this matter, the hon. Minister may not only hear questions asked, which might provoke him, but a statement of facts reasonably presented, and that might enable him to make a gesture which would be in keeping with the interests which he had propounded in connection with the Second Five Year Plan. I submit that the matter merits discussion on a proper scale and not by a few questions which might be provocative to the hon. Minister.

Shri L. B. Shastri: I should like to refer to some of the points raised by the other side.

Firstly, it has been suggested that the negotiating machinery is not functioning properly, and one of the Members, the hon. Member from Hyderabad, had said that it had not functioned at all. I personally think that the statement made by the hon. Member is if I may so, quite wrong.

Dr. Jaisoorya: No, Sir, I know better.

Shri L. B. Shastri: You have had your say. Please permit me to say what I have to.

The negotiating machinery on the Central Railway has to some extent been functioning better than on the other Railways. And if the negotiating machinery has not been functioning well on all the Railways, the Railways alone are not responsible for that. The unions themselves, the leaders of the unions who are fighting amongst themselves, are also—if I may not say mainly—they are partly and chiefly responsible for not allowing this negotiating machinery to function well. Every day there are differences of opinion amongst the workers. There are two unions, sometimes three or four, working on one Railway. How is it possible for the Railway officers and the Railway Administration to negotiate with them, to talk to them, to come to some settlement? If they come to some settlement on one matter with one union, the other unions raise their heads and they come forward with further demands, more demands and exaggerated demands. So, all the time this position continues and the negotiating machinery is not allowed to function properly. But still I am not prepared to accept the suggestion that this negotiating machinery has not functioned at all. In fact it has functioned; it has solved many problems; and I still think that given the good-will from both the sides, it is the only alternative which can resolve the problems of the Railways. Because, we have to deal with a million staff, ten lakh of staff, and if there is no negotiating machinery, I do not know how the grievances of the workers would come to the notice of the Railways and it would be possible for the Railways to solve them.

As regards the union, the union on the South-Eastern Railway which is leading the strike at Khargpur is not a recognised union. I want to tell that to Shri Anthony because he made that enquiry. I do not know if the grievances of the firemen are there for the last five years. I cannot say quite correctly about that, may be they are there. But I am really amazed at the statement made by Shri Asoka Mehta when he says that the grievances of the firemen had not been attended to and therefore he does mean to say that it is proper for them to go on a lightning strike and stop the trains and not allow the engines to come out of the shed. If that

[Shri L. B. Shastri]

is the way the hon. Member thinks, then there is no common ground at all between him and the Railway Administration.

The door is always open. If the workers have grievances. . . .there are hundreds of grievances. .

Shri Nambiar: Let us have adjudication.

Shri L. B. Shastri: I know there are grievances and there will be grievances; they are there today and they will be there in the future, because you are dealing with human beings and there are, as I said, a million people working on the Railways. There will be difficulties and grievances. It is for the Railways, always, to attend to those grievances and try to remove them; for the unions to try to help the Administration in getting those grievances removed by negotiation, by talk, by persuasion. But I can never think of the way the workers have behaved either at Kharagpur or on the Central Railway near Kazipet and Secunderabad, etc.

As regards the question of adjudication, now after having gone on a strike the union or, as Shri Nambiar has said, the workers have come forward with a demand that the matter should be referred to adjudication. Well, Sir—I would like to make that point quite clear—so long as the strike is not withdrawn unconditionally I am not prepared to look into any one of those grievances. There can be no question of adjudication until these strikes are withdrawn completely, fully and unconditionally.

As I have said, it is a strange situation. The workers go on a lightning strike without any notice. And the type of strike, I can think of anti-social elements indulging in these kinds of activities, stopping the trains, sitting down on the track, not allowing trains to move on, inconveniencing passengers, holding up goods trains and assaulting people. If the workers should behave in such a manner, I wonder why are the leaders not able to control them. They can really excite them, they can incite them to resort to strikes, but they are not able to stop them. And I can quote examples. The present pattern is to go on lightning strike and, after having gone on strike, they realise the mistake. When the things are explained to them, they realise the mistake and they say, "Yes, we are prepared to withdraw the strikes, provided number one, no victimisation, number two, payment of wages will be made for the strike period thirdly, if any action has been taken, the action should be withdrawn and, fourthly, something else. It has become just a common pattern of strike which is being indulged in during the last few months; and sometimes I have a fear and a suspicion that there is some concerted plan which is being resorted to, but I would not like to say anything on that. But I have my suspicion because I see that the same pattern of programme is being resorted to at various places.

So I am not prepared to accept any adjudication or to their grievances being considered at the present moment till the strikers have completely withdrawn their strike. Well, after that, as I have said in my statement, and I say it now, we are prepared to consider their grievances. But I would also like to make it clear that I shall not, in so far as conditions like this are concerned namely that there will be no victimisation, that payment will be made for the strike period. . . .

Shri Nambiar: Not payment; victimisation is the main thing.

Shri L. B. Shastri: I shall not be prepared to consider even an iota of those demands. The strikes will have to be withdrawn unconditionally, and then in the normal course we will be prepared to consider their demands.

Shri Punnoose (Alleppey) : Shame.

Shri Nambiar: I want a small point to be clarified.

Mr. Speaker: I am not going to allow this. Enough has been said on this. I have allowed opportunities to all sections. Ultimately the hon. Minister has replied.

It is a very serious matter for the House to consider, and I am considering whether an adjournment motion is an appropriate remedy. The hon. Minister has said that this strike does not appear to be a single or stray instance. For small things, or when there is an altercation between a travelling ticket collector and a police constable, the police constable who is a subordinate of the State Government and the other who is an employee of the Central Government, there is an attempt to force the State Government to suspend that constable, saying "Otherwise I will go on strike". After that some other strike relating to painters, stay-in-strike, this is in one section of the Railways; in another section guards, railwaymen and engine drivers, etc., stores strike. I do not know where this is going to end. A dispute between any employer and employee—it is true that the employer in this case is responsible to this Parliament, it is a department of the Government—but everything between an employer and employee ought not to be brought up here for discussion and settlement. Is this the forum to discuss it and to chastise Government for not conceding every demand? One fact is not disputed, namely that no notices of strike were given. What is the justification for a lightning strike by which the community is disturbed or inconvenienced?

Under those circumstances, I would not like to give any encouragement to using this House as the forum for the purpose of settling differences. The differences will arise and they have arisen, but there are other methods for settling them. It is also clear in this case that though there were unions, the leaders have washed their hands of all responsibility. Mr. Asoka Mehta has said that he does not know. Those persons have started going on strike themselves. Also, I asked them whether any notice was given so far as the strikes were concerned. It is a public utility service; it is not merely a dispute between the employer and the employed. The whole public is inconvenienced by the Grand Trunk Express running late; there is a lot of inconvenience caused to the public. I do not want that there should be any impression created by anyone or by any set of people who are responsible to the country that the public can be held at ransom by any section of the employees, whether of Government or of any other concern. Railway is a public utility service. The Parliament will not be used as a forum for the purpose of forcing either the Government or the public for grant of any special privileges, except by normally and constitutional methods. Under those circumstances, I am not going to allow this adjournment motion. It is a small matter which arises almost every day between the employer and the employed. Other methods, should be resorted to to settle the differences. So far as this matter is concerned, this adjournment motion is out of order.

Shri H. N. Mukerjee * * * *

Mr. Speaker: I am proceeding to the next item.

PAPERS LAID ON THE TABLE

AMENDMENTS TO INDIAN AIRCRAFT RULES

The Minister of Communications (Shri Jagjivan Ram): I beg to lay on the Table, under sub-section (3) of section 5 of the Indian Aircraft Act, 1934, a copy of each of the following notifications of the Ministry of Communications, together with the Explanatory Notes, making certain further amendments to the Indian Aircraft Rules, 1937 :—

(1) Notification No. AR|1937 (20), dater the 2nd March, 1956.

(2) Notification No. AR|1937 (18), dated the 12th April, 1956.

[*Placed in Library. See* No. S—1901-56]

AUDIT REPORT (CIVIL) 1955 (PART I)

The Minister of Finance (Shri C. D. Deshmukh): I beg to lay on the Table a copy of the Audit Report (Civil) 1955 (Part I) under Article 151 (1) of the Constitution. [*Placed in Library. See* No. S—191|56]

REPLIES TO MEMORANDA RECEIVED FROM MEMBERS *re.* DEMANDS FOR GRANTS (RAILWAYS) FOR 1956-57

The Minister of Railways and Transport (Shri L. B. Shastri): I beg to lay on the Table a copy each of certain further statements containing replies to certain memoranda received from Members in connection with Demands for Grants (Railways) for 1956-57 [*See* Appendix XIV, annexure No. 56].

*** Expunged as ordered by the Chair.

MESSAGE FROM RAJYA SABHA

Secretary: Sir, I have to report the following message received from the Secretary of Rajya Sabha :

> "In accordance with the provisions of rule 125 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 21st May, 1956, agreed without any amendment to the Agricultural Produce (Development and Warehousing) Corporations Bill, 1956, which was passed by the Lok Sabha at its sitting held on the 11th May, 1956."

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

FIFTY-FOURTH REPORT

Sardar Hukam Singh (Kapurthala-Bhatinda) : I beg to present the fifty-fourth Report of the Committee on Private Members' Bills and Resolutions.

PETITION *re.* INDIAN POSTS AND TELEGRAPHS ACT

Shri Viswanatha Reddy (Chittoor): I beg to present a petition signed by a petitioner relating to the amendment of the Indian Posts and Telegraphs Act and Rules framed thereunder.

CONSTITUTION (TENTH AMENDMENT) BILL

PRESENTATION OF REPORT OF JOINT COMMITTEE

Shri Raghavachari (Penukonda): I beg to present the Report of the Joint Committee on the Bill further to amend the Constitution of India.

EXODUS OF HINDUS FROM EAST PAKISTAN

The Minister of Law and Minority Affairs (Shri Biswas): I would like to make a short statement on the question of the exodus of Hindus from East Pakistan to India, which has been causing great anxiety to the Government of India. Arising out of the discussions between the Pakistan Foreign Minister and the Minister for Rehabilitation during his visit to Karachi for the Pakistan Republic Day celebrations, the Pakistan Prime Minister suggested a meeting at ministerial level at Dacca to discuss this problem. The Government of India accepted the suggestion.

The talks were held on the 5th and the 6th May, 1956. The Indian Delegation, led by the Minister for Law and Minority Affairs, comprised among others the Minister for Rehabilitation, the Deputy Minister for External Affairs, the Indian High Commissioner in Pakistan and the Minister for Labour, West Bengal Government. The Pakistan Delegation, which was led by their Foreign Minister, included among others their Minister for Minority Affairs and the Chief Minister of East Pakistan and their High Commissioner in India.

There was a frank exchange of views between the two Delegations on the causes of migration and possible remedies for checking it. It was agreed that the minorities were the responsibility of the Government of the country to which they belonged and that they should look up to their own Government for the redress of their legitimate grievances. On their part, the Government should ensure conditions in which the minorities are enabled to live in happiness and security as equal citizens with members of the majority community.

The problem of the minority communities in East Pakistan was accordingly one to be solved by the East Pakistan Government, but the Government of India would be happy to extend all possible co-operation to the Government of Pakistan in solving it.

On behalf of the Government of Pakistan, their representatives reiterated the determination to safeguard fully and effectively the right of the minorities to live honourably as full citizens of Pakistan as guaranteed by the Pakistan Constitution. It was stated that the Government of East Pakistan had already taken certain measures with a view to restoring confidence among the minorities. An Advisory Board consisting of M.L.A's of all non-Muslim political parties had been appointed with the Chief Minister as President. This Board would supervise the implementation of measures considered necessary to deal with factors encouraging migration. A Hindu Officer of the Civil Services of Pakistan has been appointed as Special Officer for Minority Affairs. He has been given powers to take up grievances of the minorities with the East Pakistan authorities and all Government departments. Measures had been taken to speed up recruitment of members of the minority communities in Government service. As a matter of general rule, relaxation of age-limit and educational qualifications has been ordered. The Special Officer for Minority Affairs has also been directed to examine all new recruitment figures to ensure adequate representation of the minorities. The Revenue Department has been instructed to employ members of the minority communities to the extent of 23 per cent. of the vacancies in the Estates Acquisition Department. The Minority Commission is going to be revived and Minority Boards to be established down to the Thana level. Orders have been issued derequisitioning Hindu houses. The East Pakistan Chief Minister said that more such houses would be derequisitioned if their owners wanted to come back and live in them. The Pakistan Delegation also said that, in case of complaints regarding abductions of women, officers have been directed to recover the girls immediately and send them to the Neutral Home in Dacca. Strict instructions have been issued to all officers of the Government that there should be no discrimination against members of the minority communities.

The Pakistan Delegation was of the view that these steps should ensure security and restore confidence among the minority community and that there should be no further cause for migration, provided the Government of India co-operated. It was suggested that the Government of India should stop issuing migration certificates—in other words, seal the border. The Indian Delegation was of the view that this could not be done since the Prime Ministers' Agreement of 1950 assured freedom of movement and protection in transit to migrants. The Pakistan Delegation also expressed the opinion that one of the causes encouraging migration was the comparative ease with which a migration certificate could be obtained. There was also the attraction of the rehabilitation benefits promised by India to migrants. It was pointed out by the Indian Delegation that the rehabilitation benefits given by the Government of India were quite meagre and certainly not sufficient to tempt a person to give up his hearth and home. The Indian Delegation also explained that migration certificates were issued after proper examination. In view of the various steps that the Pakistan Government had already taken or intended to take to solve the problem, the Indian Delegation also agreed that the machinery for receiving and examining applications for migration certificates will be strengthened so as to prevent abuse or exploitation of migration facilities by anti-social elements.

After the Conference, two representatives from each Delegation were deputed to draft a joint communique. Apparently, through some misunderstanding the first draft which had not been approved by the Indian Delegation was released to sections of the local press and this created some confusion. Later, the draft was discussed by the two Delegations and a mutually agreed communique was released late at night on the 6th of May, 1956. A copy of the agreed communique is placed on the Table of the House. [*See* Appendix XIV, annexure No. 57].

Shri N. C. Chatterjee (Hooghly): May I put one question, Sir, to the hon. Minister? Has there been any effect of this Dacca Conference on the position of the minority community in East Pakistan due to which the tempo of exodus has abated or is it due merely to the tightening of visa facilities? Has any concrete assurance been given that steps will be taken to implement the Nehru-Liaquat Agreement so far as Pakistan is concerned?

Shri Biswas: The number of migrants has definitely decreased. I cannot give you exactly the figures for the present month, but there has been an appreciable diminution in the number.

As regards the implementation of the provisions of the Nehru-Liaquat Agreement, we have now a definite assurance from them that they will do all they can and take all possible measures in order to implement the same.

Shri N. C. Chatterjee: Their words are all.

Shri Biswas: My hon. friend says "their words are all". But the Indian Delegation noticed a sense of sincerity in them for the first time.

Shri Kamath (Hoshangabad): May I make one request, Sir? This method of making statements is good enough, though it does not go far. I do not know whether a copy of the statement has been supplied to you or placed on the Table of the House.

Mr. Speaker: The hon. Minister gave me a copy and asked my permission. I read through the copy and then I gave permission to make a statement because I thought it is a matter which affected both the countries.

Shri Kamath: Sir, it is a matter of very great importance and there was confusion in Dacca after the communique was issued. I had sent in a Short Notice Question but it was disallowed on the ground that a statement was going to be made. But this method of making a statement deprives us of an opportunity of raising a brief discussion by way of supplementary questions. I would, therefore, earnestly request you that either a half-an-hour discussion may be fixed some day, as it is a matter of importance, or you may kindly allow a Short Notice Question to be put and that may be admitted perhaps on Tuesday.

Shrimati Renu Chakravartty (Basirhat) : May I know whether any machinery has been set up to examine from time to time how the agreed decisions are being implemented and also, whether the reduction in the number of people who have come from East Pakistan to West Bengal this month and last month is due only to the restrictions of migration certificates or not?

Shri Biswas: The question of the various causes which led to the exodus, especially the increase in the volume of exodus in recent months, has been fully gone into. Unfortunately, I am not in a position to give you all the facts, because, in order to ensure free and frank exchange of views the proceedings were held in camera and I cannot give you exactly what was said on either side. Therefore, all that I have attempted is to give you a general picture of what had happened, and I can assure you that we were satisfied, so far as it is possible for us to be satisfied about it, that they mean serious business. The present Chief Minister of East Pakistan is genuinely anxious to help the minorities. He has actually set up a number of organisations for the purpose of getting into touch with the minorities and to dispel from them any sense of fear.

Shri N. C. Chatterjee: May I point out one thing, Sir? The hon. Minister has not answered Shrimati Renu Chakravartty's question as to whether the lowering of migration figures was due to the Government of India's directive not to issue migration certificates and similar facilities or was it really due to an improvement in the situation there?

Shri Biswas: I had stated in my statement today that there was a suggestion that India should seal the border which we definitely turned down. We drew their attention to the fact that the Liaquat-Nehru agreement ensures to each migrant the right to go away if he so desired. As a matter of fact, the Prime Minister has explained more than once that we shall discourage people from coming away for nothing, but if they still insist on coming they shall not be refused migration certificates.

Shri U. M. Trivedi (Chittor): I want to put one pertinent question. Has the Minister been assured—

Mr. Speaker: What I feel is that if the hon. Members want to have any more facts, and want to put any more questions, they can kindly read through the statement. Then they may table more questions and I shall allow them.

Shri Nand Lal Sharma (Sikar): Will the Government fix more time for discussing this subject?

Pandit Thakur Das Bhargava (Gurgaon) : Either two hours must be allotted for discussing this subject or we should be allowed to put questions, so that the position may be made clear. It is not clear to us at all.

Sardar A. S. Saigal (Bilaspur): First, the statement must be circulated. Then, two hours' time must be devoted to discuss the matter.

Shri N. C. Chatterjee: You are calling a meeting of the Business Advisory Committee today. I hope all sections of the House will endorse the suggestion that there should be an opportunity for discussion on this matter which is a vital one. You know more than 40 lakhs of people have come in, and this involves the fate of 7 million people. Therefore, we are very much perturbed over it.

Mr. Speaker: The hon. Minister will also be invited. I would invite him to attend the meeting of the Business Advisory Committee.

Shri Biswas: I am in the hands of the House. I will abide by its directions and your directions.

Mr. Speaker: I am not deciding anything. We are having a meeting of the Business Advisory Committee at 4 o'clock. The hon. Minister, if he can kindly be present at the meeting, may take part in the meeting. The Minister of Parliamentary Affairs will also be present. So, let us all look into the matter.

Shri Gidwani (Thana) *rose*—

Mr. Speaker: Sufficient number of copies of the statement may be given to the Members of the Business Advisory Committee.

Shri Gidwani: The hon. Minister said that they were very sincere. I would invite the attention of the hon. Minister to the statement made by Shri C. C. Desai, Indian High Commissioner in Pakistan, where he said that the feeling among the Pakistanis is that every abduction was a love affair. Is that the sincere feeling?

Shri Biswas: As a matter of fact, we were looking to the future, and therefore, we definitely decided that there need not be any recriminations as to what happened in the past. There have been failures on our side and failures on their side. Therefore, we were anxious to secure some improvement and we were anxious to see that in the future things would have very much improved. We were satisfied with the assurance given from the other side. But it all remains to be seen how the assurances are implemented.

Shri Jhunjhunwala (Bhagalpur Central) : How many assurances you had in the past?

Sardar A. S. Saigal: They have not yet been fulfilled!

LIFE INSURANCE CORPORATION BILL—*contd.*

Clause 43.—(*Application of the Insurance Act*).

Mr. Speaker: The House will now resume clause by clause consideration of the Life Insurance Corporation Bill. Clauses 2 to 4, 11, 12, 14, 19, 22 and 25 have been disposed of. Clause 43 has to be taken up now. We have taken 14 hours and 6 minutes already. We have extended the time from 15 to 18 hours. So, we have thus three hours more. Therefore, we must close the discussion at 3-30 p.m. today.

Shri Tulsidas (Mehsana West): How is it possible?

Mr. Speaker: I shall apply the guillotine. Already, we have extended the time from 15 to 18 hours. We have got the Second Five Year Plan to be discussed. Therefore, let us expedite this matter.

Shri N. C. Chatterjee (Hooghly): You were pleased to allocate 1½ hours for clause 43 and you allocated 2 hours for the Schedules, and the rest of the clauses were given 1½ hours.

Mr. Speaker: So much time has been taken yesterday. I hoped that within 18 hours, we could finish the rest of the clauses.

Shri N. C. Chatterjee: I do not think we have exceeded the time allocated by you.

Mr. Speaker: We should find ways and means to finish this within three hours from now. The Second Five Year Plan has to come up for discussion. The discussion on it has been pending for some time. We must allow a couple of days or so for that purpose. We are hard-pressed for time.

Shri U. M. Trivedi (Chittor): How can we finish this Bill in three hours from now?

Mr. Speaker: I am not going to extend the time. Of course, if even a single minute is taken away for some other purpose and if there is anything wrong in the calculation, I will allow for it. We have extended the time from 15 to 18 hours. We shall proceed to clause 43.

Shri Tulsidas: This is a very important measure. Different timings have been allotted for the different sets of clauses. What I feel is that important clauses are now coming up. Clause 43 and the Schedules are very important and they will take 3½ hours. Therefore, I request that you will be pleased to extend the time.

Sardar A. S. Saigal (Bilaspur): It should be finished by 5-30 today.

Mr. Speaker: We shall try to finish it by 4-30 p.m. today.

That means, I am extending the time from 3-30 to 4-30.

Shri Tulsidas: It is difficult to finish it.

Mr. Speaker: We shall try to get through it. Let us all co-operate in doing so. Now, the hon. Members who wish to move amendments to clause 43 may do so.

Shri Tulsidas: I beg to move:

(i) Page 19, line 9—

(i) *after* "26" *insert* "27, 27A"; and

(ii) *after* "39" *insert* "40B".

(ii) Page 19—

after line 10, *add* :

"Provided that investment under section 27 of the Insurance Act shall in no case exceed 55 per ecnt. of the controlled funds;

Provided further that the limit on expenses under section 40B of the Insurance Act shall be 85 per cent. of the first year premium and 12 per cent. of the renewal premium."

(iii) Page 19—

for lines 16 and 17, *substitute* :

"Sections 2D, 10, 11, 13, 14, 15, 20, 21, 22, 23, 25, 28, 28A, 30, 35, 36, 37, 40, 40A, 42, 43, 44, 47, 48, 102 to 106, 107 to 110, 111, 112, 113, 114 and 116A."

Shri Sadhan Gupta (Calcutta South-East) : I beg to move :

(i) Page 19—

for lines 9 and 10, *substitute* :

"Sections 2B, 3, 18, 26, 33, 38, 39, sub-section (1) of section 40A, sections 41, 44, 45, 46, 47A, 50, 51, 52, 110A, 110B, 110C, 113, 119, 121, 122 and 123."

(ii) Page 19, line 16—

omit "35, 36, 37".

(iii) Page 19, line 17—

omit "113"

(iv) Page 19, lines 25 and 26—

after "subject to" *insert* "annulment or".

Mr. Speaker: All these amendments are before the House.

The Minister of Finance (Shri C. D. Deshmukh): I have just given notice of an amendment to indicate that I am prepared to accept the insertion of 27A and 28A in amendment No. 29 of Shri Tulsidas to clause 43. He has given a large number of sections which should be inserted. After "25", I am accepting 27A and 28A.

Shri Tulsidas: I have got amendment No. 27 which seeks to insert "27, 27A" after "26". If you do not want to have "40B", I am prepared to accept your suggestion.

Shri C. D. Deshmukh: 27A and 28A will be inserted in the list of sections given under sub-clause (2) of clause 43.

I beg to move :

(i) Page 19, line 16—

after the figure "25", *insert* "27A, 28A".

(ii) Page 19 line 21—

for "conditions or modifications", *substitute* "conditions and modifications".

I am suggesting "conditions and modifications" instead of "conditions or modifications". That is a verbal change. I mention this now so that the hon. Member may not spend so much time in arguing the case in regard to investment and returns of investment, so far as the private sector is concerned, from the corporation.

Mr. Speaker: Amendments moved:

(i) Page 19, line 16—

after the figure "25", *insert* 27A, 28A".

(ii) Page 19, line 21—

for "conditions or modifications", *substitute* "conditions and modifications."

Shri Tulsidas: I thank the Finance Minister for having partially accepted some of my suggestions made in my amendment No. 29. The point that I wanted to make was that sections 27 and 27A are so important that they should be applicable as a whole on the corporation. Now, the Finance Minister would like to have certain modifications and alterations, and for that purpose, he would like to have section 27A and not section 27. Of course, he is accepting to insert 28A. But the other things are removed.

Shri C. D. Deshmukh: All these sections are put in there. After "25", I have sought to add "27A, 28A". Then, sections 35, 36, 37 and so on so forth, follow.

Shri N. C. Chatterjee: Is that in sub-clause (2)?

Shri C. D. Deshmukh: Yes. I do not accept anything from the amendment of Shri Tulsidas, as such, I am saying that in case the hon. Member wants to make a point about investment, as he did yesterday or the day before yesterday in his speech, the corporation should be obliged to adhere to the criteria which at present govern investments by a life insurance company in the private sector. I am prepared, therefore, to accept 27A and 28A being added on in sub-clause (2).

Shri Tulsidas: Therefore,—discussion confines itself to a very narrow point. I agree that it requires a certain amendment, and therefore, the Hon. Finance Minister would like to insert 27A and 28A in sub-clause (2).

I would like to ask the Finance Minister whether section 27 should not be there. Section 27 is meant for approved securities. Under the present section 27, companies cannot invest in any securities unless they are approved securities. There is a certain relaxation if the Central Government so chooses. The Central Government has got an authority and a discretion. Section 27 is also a wholesome provision and it should be made applicable because that is only a restriction with regard to approved securities. That means that investments will be done on the basis of certain criteria laid down under section 27. Section 27A merely provides with regard to percentages and so on. If there is a new issue, as the Finance Minister knows fully well, the prospectus has to mention whether the securities are approved under section 27. My point is, if you want to apply section 27 also....

Shri C. D. Deshmukh: I am sorry to interrupt. I might cut short discussion. My desire is to cut short the discussion. One would find in section 27, provided that the Central Government approves, provided that the Central Government directs, etc. Since the Central Government itself is administering the question of investment in approved security, we thought that is a matter which could be regulated either in accordance with sub-clause 3 or in accordance with the rules and regulations to be made by us. It is no good taking a whole section like this which is not intended for the Central Government, that is to say, the sanctioning authority itself or the approving authority itself. Approval means approval of the Central Government. Our scheme was, whereas we do not deny the necessity of having investments made on sound lines, since the Central Government can issue the direction, it may be regulated under sub-section (3) or the rules and regulations. That is the important reason for not including section 27 and then going about chopping and changing.

Shri Tulsidas: If that is the intention. I am prepared to accept the position.

Shri N. C. Chatterjee: Really I take it that there is no inteniton to negative the operation of section 27.

Shri C. D. Deshmukh: How can it be? That is rather a very sound principle of functioning. We have been exercising these powers. Certainly we cannot turn into a malignant authority denying everything that we have regarded as wholesome.

Shri N. C. Chatterjee: As the section stands, it may be difficult to operate.

Shri C. D. Deshmukh: That is the point. It is very important with reference to certain people who are subject to the authority of the Central Government. Therefore, there are difficulties in the way of applying it wholly or with minor modifications to the sanctioning authority itself.

Shri N. C. Chatterjee: Therefore, the proper place will be invocation under sub-clause (3).

Shri C. D. Deshmukh: Under sub-clause (3) or under the rules and regulations.

Shri Tulsidas: That reduces the discussion to this. I would like to draw the attention of the Finance Minister to section 112. He has accepted sections 27A and 28A. In my amendment sections 42 and 112, etc. are there. Section 30 relates to liability of directors for loss due to contraventions of sections 27 and 29. The Finance Minister mentioned yesterday who will be liable. I would ask the Finance Minister whether it will not be proper that the people who are going to manage this Corporation should have certain liabilities, so that they may not invest without any criteria or conditions. Then, there is section 112 with regard to declaration of interim bonus. That again is important. There should be a certain amount of latitude to the Corporation under section 112 to declare interim bonus. If it is felt that that should be applicable, what remains is simple. Section 42 relates to licensing of agents.

Shri C. D. Deshmukh: We choose the agents now. There is no question of licensing for other purposes.

Shri Tulsidas: I accept the position.

Shri Sadhan Gupta: This clause applies certain provisions of the Insurance Act in three groups. The first group applies automatically. The second group enjoins on the Government to issue a notification as soon as possible to apply certain other sections with certain conditions or modifications, according to the amendment of the Finance Minister and the third group allows the Government to take time to consider and apply such of the provisions as it thinks fit.

The first group is of the utmost importance, because the application of the first group of sections will determine what the privileges and rights under certain sections will be. For example, there are certain sections regarding policy-holders: right to assign, right to nominate and all that, which is quite beneficial. There are other sections and rights given under other sections which have not been included. Take the case of agents. There is sub-section 1 of section 40-A which regulates their commission. A maximum is fixed beyond which it cannot go. I do not see why section 40-A should not be automatically applied. Although this section only fixes the maximum commission payable to agents, yet the agents think it a Charter of their rights to earn commission. The Corporation, if it thinks fit, may, in proper cases adopt a particular rate of commission. Even today, there are companies which have adopted a slab system by which the maximum is paid to agents only when they display efficiency in securing a large volume of business. For example, in the Oriental, I think they have a slab according to which agents bringing in a certain proportion of business get a certain percentage, 25 or so. Then it goes on increasing till the maximum of 35 per cent. is reached. There is provision that in the second and third year an additional 2½ per cent. may be paid. All these are salutary provisions. I do not see why they should not automatically apply. If the Central Government thinks that any lower rate of commission might be advisable and if it finds that at that lower rate, the same volume of business or a greater volume of business could be coming in, it is open to them, even in spite of section 40-A, to do so. But, I would ask them not to scare the agents by giving them to understand that immediately the commission would be reduced. That is the impression created by the omission of section 40-A from the First Schedule.

An even more unfortunate omission is section 44. Section 44 was won by the agents after a long struggle. It embodies a very fair principle which is that—an agent if he unfortunately died while, formerly, lost the right to his renewal commission. Section 44 provides that his successors would be entitled to continue to receive. That is a fair deal. Why should the commission depend on the chance of the agent keeping alive. Why should not his family have the benefit of the commission which he has earned?

Therefore, I do not see why section 44 has been relegated to the second group, namely the group of sections which can be brought into operation after conditions and modifications are imposed. That is very unfortunate. Section 44 should be accepted as it is, unless of course the Government proposes to modify it more in favour of the agents, but I think that is not the intention. Therefore, section 44 should be automatically applied.

Another section that should be automatically applied is section 113 which gives the policyholder the right to a surrender value on his policy. If a policyholder wants to surrender his policy, then under this section certain values have to be fixed which the policy would acquire after the lapse of a certain period. That is a privilege of the policyholder and that should be automatically applied. I do not know why that section also has been transferred to the second group. To secure these objectives, I have sought to introduce amendments 122 and 124. Amendment 124 is consequential to 122.

Coming to the second group of sections, I am rather intrigued to find why sections 35, 36 and 37 have been included there at all. In my submission sections 35, 36 and 37 have no place in the Bill anywhere. These are sections dealing with amalgamation and transfer of insurance companies. When a company becomes insolvent, for example, it amalgamates with some other insurance company, for transfer of its business to some other company. What has the Insurance Corporation to do with it? The Insurance Corporation is a monopoly which does its business. If it succeeds, well and good. If it fails, it is a calamity. Where can it transfer its business, with whom can it amalgamate its business? Therefore, I do not see why sections 35, 36 and 37 were included in the second group. Therefore I have suggested amendment 123 to take off those three sections.

My last amendment—and I have moved similar amendments to other clauses which make similar provisions —is to the effect that the notifications by which the sections of the Insurance Act will be applied to the Corporation must be subject not only to modification by Parliament but must be subject also to annulment by Parliament. The clause as it stands at present is that the notifications will be laid before Parliament and will be subject to such modifications as may be made by Parliament. But what we want is that Parliament should be entitled not only to modify these notifications but must also be entitled to annul the notifications altogether if Parliament thinks that they are not proper.

Therefore, I commend these amendments to the acceptance of the House. Particularly I would request the Finance Minister to clarify why sections 35, 36 and 37 relating to amalgamation and transfer of insurance business have been included in this Bill and how it is relevant to the Corporation at all. If he does not find any relevancy I would ask him to accept my amendment 123.

Shri N. C. Chatterjee: I want to point out only one thing. Now that the hon. Minister is accepting sections 27A and 28A to be incorporated in sub-clause (2), a good deal of our discussion is unnecessary. I am only asking the Minister whether he would consider also putting in section 40B. Section 40A deals with limitation of expenditure on commission and section 40B deals with limitation of expenses of management in life insurance business. They really go together, and that is a very salutary provision because you not merely control the expenditure on commission but you control the expense ratio. I am asking whether that cannot be put in in sub-clause (2) because if it is put in sub-clause (2) then the necessary flexibility will be there and Government can accept it or apply that section subject to any conditions or modifications it likes.

Shri Sadhan Gupta has pleaded for upgrading section 40A from sub-clause (2) to sub-clause (1). He wants to make it compulsory. If that could be done I would be very happy. I also want some assurance from the hon. Finance Minister that putting in section 44 in sub-clause (2) will not act detrimentally to the interests of the agents because this section was put in so that the agents could be assured of their commission. In some cases the agencies were terminated and you know under our law you cannot force the man to continue as agent. Therefore, this section 44 was very necessary in order to prohibit the cessation of payments of commissions earned by agents and to

[Shri N. C. Chatterjee]

see that it should not stop simply because the agency is terminated. That section was a satisfactory and salutary provision. I hope there is no intention to utilize that section or the power now being taken to do something detrimental to the interests of the agents and the persons who have worked hard for earning their commission.

Shri Morarka (Ganganagar-Jhunjhunu) : I want to say a word about the decision of the hon. Finance Minister to incorporate section 27A in this clause 43. At one time I myself was strongly in favour of the provisions of section 27A applying to the Corporation, but then there is a practical difficulty and I hope the Finance Minister would kindly consider it when he applies the provision of this section to the Corporation. I wish to refer to sub-section (4) of section 27A. It says :

"(4) An insurer shall not out of the controlled fund invest or keep invested in the shares or debentures of any one company other than a banking company or investment company more than—

(a) two and a quarter per cent. of the sum referred to in sub-section (1) of section 27, or

(b) ten per cent. of the subscribed share capital and debentures of the company, whichever is less."

Till now we had 160 different companies and each company was entitled to invest up to ten per cent. in the company whose shares it was buying, but now the Corporation would become one single company and if the Corporation also can invest only ten per cent. in any company, then the position would be that many shares which the Corporation hold now will have to be liquidated and sold in the market. I think when the modification is made before applying this section the Finance Minister would kindly consider this point and I hope the necessary modification will be made.

Shri N. C. Chatterjee: That is why it is in sub-clause (2).

Shri C. D. Deshmukh: The last speakers' observations only illustrate the difficulty of applying the sections as they stand and I cannot pretend to have examined in detail the implications of the application of all these sections. They will have to be examined very carefully and wherever modifications are necessary we shall have to make them. That is why we divided these clauses into three categories: firstly, those which we were certain should be applied. About the others we gave ourselves a little chance, but in the main it indicates that we are prepared to accept the principle of it. The third really means that it is a residuary category where we must conduct an individual examination. This point is valuable and we shall certainly bear it in mind in working out the application of section 27A in accordance with sub-clause (2).

Then I come to section 40B. In principle I have no objection. I made observations the other day to indicate our hope that we shall do better and indeed we might have done very much better but for certain considerations like retention of the staff, payment to the agents and this and that. All those encumbrances of the latter kind, that is to say contractual encumbrances that we have, might come in the way of our reducing it as much as we could. But, as a token of our *bona fides* I am prepared to put in that in sub-clause (2).

Shri N. C. Chatterjee: That is what I suggested.

1 P.M.

Shri C. D. Deshmukh: Certainly, I am prepared to do that. If you will permit me....

Shri N. C. Chatterjee: If you will kindly permit me, I shall move the following amendment.

I beg to move :

Page 19, line 17—

after "40A" *insert* "40B".

Mr. Speaker: Amendment moved:

Page 19, line 17—

after "40A" *insert* "40B".

Shri C. D. Deshmukh: I accept that amendment, if you would permit me.

Then, I deal with sections 35, 36 and 37. It is our understanding that there are two sides to a transfer, that is to say, the transferor and transferee. What we thought was that while the corporation would not want to transfer its business to anyone else, it might want to accept the transfer of business. I made that remark in connection with certain general insurance business, the question of which was raised by the hon. Member, and I thought that a provision of this kind would cover the cases of companies under administration. Take, for instance, the company I mentioned the other day, namely the Jupiter. It may be that there might be some arrangement which might come on within the purview of sections 35, 36 and 37 in regard to such companies, and that is why we have retained that power there.

Now, I come to section 40. This section prohibits the payment of remuneration in the form of commission to persons other than an insurance agent, special agent or chief agent. As we know, the chief agents and special agents would not probably figure in the picture now and therefore some modification of section 40 will be necessary. That is why we have put in the place where you find it.

Similarly, section 40A limits the commission payable to insurance agents. Under the corporation, agency terms may be rationalised, and that is why this has to be applied with modification. This is an answer to the hon. Member's plea that we move this from sub-clause (2) to sub-clause (1). I feel that it is safer to allow us a little latitude in considering this. If hon. Members will only give us some credit for *bona fides* in this matter, then I do not think they would make too much of a case as to whether anything is included in sub-clause (1) or sub-clause (2) or at the worst in sub-clause (3).

Shri Sadhan Gupta: How is section 40A a hindrance? It only prescribes the maximum commission.

Shri C. D. Deshmukh: But we have not removed it.

Mr. Speaker: Section 40A is there. In addition, there will be section 40B also.

Shri Sadhan Gupta: Section 40A prescribes the maximum commission payable to agents.

Shri C. D. Deshmukh: We wish to modify that maximum.

Shri N. C. Chatterjee: That is a limitation clause.

Shri C. D. Deshmukh: Section 44 confers an important right on the agents. It provides that if an agent had introduced a certain amount of business or had worked for a certain period of time, his renewal commission shall not be forfeited even if he ceases to be an agent. It also provides that such commission shall be hereditary. There is no intention, I repeat, to take away this accrued right of insurance agents, and it is therefore proposed to apply this section. However, some modification, we feel, will be necessary to permit introduction of fresh terms in respect of the future. That is why we cannot accept it as it stands in the Act. That is in regard to section 44.

Then I come to section 113. That section requires that every policy of insurance must contain certain non-forfeiture privileges. These privileges, we recognise, are exceedingly valuable, and it is proposed to apply these provisions of the Act. But from the experience of the Insurance Act that we have gained, it appears to us that some modifications are necessary in this section to make these provisions more elastic, and it is therefore proposed to apply this section with modification. It is a very small difference if we want to put it in sub-clause (1) or sub-clause (2).

Now I have to deal with two points of procedure, which the hon. Member raised. I think he had moved amendment No. 125....

Shri Sadhan Gupta: I have not moved amendment No. 125. I have moved amendment No. 126.

Shri C. D. Deshmukh: I am sorry; it is amendment No. 126. The clause as it stands empowers the Parliament to make any modification in the notifications. The hon. Member wants to provide that Parliament will have the power to annul the notification. I am advised that the expression 'modification' includes annihilation, that is to say, annulment, and therefore there is no need to accept this amendment.

Shri Sadhan Gupta: Will the Finance Minister clarify another matter which I forgot to mention? I find that section 2 has also been applied. That section of the Insurance Act has been applied automatically.

Shri N. C. Chatterjee: That is the definition section.

Shri Sadhan Gupta: Section 2 is the definition section, and it defines certain words which are also defined here and defined differently. What is the use of applying section 2 because that way it may cause confusion? And further in sub-clause 10 of clause 2 of the present Bill, the definitions given in the Insurance Act have been applied, where those expressions are not defined in this Bill. Therefore, I should think that sub-clause 10 of clause 2 is a better provision than section 2 being applied which might cause all sorts of complications. Therefore, would the Finance Minister agree to, delete section 2 from the list?

Shri C. D. Deshmukh: I confess I have not carried out a complete comparison of the whole thing.

Mr. Speaker: My fear is that without a substantive section, clause 43 which includes in sub-clause (1), section 2 dealing with definitions, alone would not be useful. Sub-clause 10 of clause 2 reads :

> "all other words and expressions used herein but not defined and defined in the Insurance Act shall have the meanings respectively assigned to them in that Act."

Shri C. D. Deshmukh: The hon. Member's point is that everything that occurs in section 2 of the Insurance Act also is defined in....

Mr. Speaker: There is no harm. After all, the one is a substantive section.

Shri Sadhan Gupta: The harm is there. For instance, in section 2 of the Insurance Act, 'insurer' is defined in one way. In this Bill, it is defined in another way. So, if you say that section 2 shall apply....

Mr. Speaker: That means subject to sub-clause 10 of clause 2.

Shri Sadhan Gupta: That is not stated It is a better way of putting that all other words..

Mr. Speaker: In this Act, unless the context otherwise requires,

> "all other words and expressions used herein but not defined and defined in the Insurance Act shall have the meanings respectively assigned to them in that Act."

Shri N. C. Chatterjee: I am afraid that section 2 shall have to remain. If you kindly look at section 2, you will find that it defines such terms as 'policy-holder', 'approved securities', 'auditor', 'banking company', 'Controller of Insurance', and so on. So, unless that section is applied, there will be a hiatus, and we do not know how the whole thing will work.

Shri Sadhan Gupta: All these definitions will come under sub-clause 10 of clause 2 of this Bill.

Shri N. C. Chatterjee: The wording here is :

> "all other words and expressions used herein but not defined and defined in the Insurance Act shall have the meanings....".

Supposing there is no such word as 'approved securities', then what will happen? There will be a hiatus.

Mr. Speaker: What he means is this. If any word is used in this Act, and if it has not been defined here, then we shall have to look for its definition in section 2 of the Insurance Act. Even in sub-clause 10 of clause 2, it is only said :

> "all other words and expressions used herein but not defined and defined in the Insurance Act shall have the meanings respectively assigned to them in that Act".

That is to say, for the other words which have been used in this Act, but have not been defined in this Act, we have to get their definitions from the Insurance Act.

In clause 43, we find :

> "The following sections of the Insurance Act shall, so far as may be, apply to the Corporation....".

So, these two are complementary and supplementary to each other. It is better to have section 2 here.

Shri C. D. Deshmukh: It is both for residual provision as well as for applications so far as may be. That is to say, wherever there is an instance as pointed out by the hon. Member, when you are dealing with an insurer, the definition under this Act will apply. But if there is nothing in this Act, the definition in the other Act will apply. It is, as you say, supplementary and complementary. You will also draw on the definitions in the other Act. Therefore, I think it is safer to have both.

Pandit Thakur Das Bhargava (Gurgaon) : This is exactly the meaning of sub-clause (10). If anything is defined here, that meaning shall be given. If you have not defined it in this Act, the meaning given in the other Act, shall be applicable to this Act. Therefore, reference to section 2 is unnecessary. Sub-clause (10) of clause 2, by itself, secures the very thing which the hon. Member has in mind.

Mr. Speaker: What Shri Sadhan Gupta says is that if the same expression is used in both the Acts and there is a definition in clause 2 of the principal Act which differs from the definition given in this Act, which will prevail. But I find that there is no conflict, because it will have the meaning as defined in this Act; if it is not defined in this Act, it will have the meaning as defined in the other Act.

Pandit Thakur Das Bhargava: Therefore, this reference to section 2 is unnecessary because sub-clause (10) of clause 2 is very specific. Either the meanings are given in this Act or the words are not defined here. Sub-clause (10) makes the position quite complete.

Mr. Speaker: Possibly there may be some words and expressions which are not used here, but may be defined only in the other Act.

Pandit Thakur Das Bhargava: Then those meanings shall be applicable. Therefore, reference to section 2 is unnecessary.

Mr. Speaker: I shall now put the Government amendments to the vote of the House.

The question is :

Page 19, line 16—

after the figure "25" *insert* "27A, 28A".

The motion was adopted.

Mr. Speaker: The question is:

Page 19, line 21—

for "conditions or modifications", *substitute* "conditions and modifications".

The motion was adopted.

Mr. Speaker: The question is:

Page 19, line 17—

after "40A" *insert* "40B"

The motion was adopted.

Mr. Speaker: In view of the adoption of these amendments, Shri Tulsidas's amendments need not be put. I shall now put all the other amendments relating to this clause to the vote of the House.

The question is :

Page 19—

for lines 9 and 10, *substitute* :

"Sections 2B, 3, 18, 26, 33, 38, 39, sub-section (1) of section 40A, sections 41, 44, 45, 46, 47A, 50, 51, 52, 110A, 110B, 110C, 113, 119, 121, 122 and 123."

The motion was negatived.

Mr. Speaker: The question is:

Page 19, line 16—

omit "35, 36, 37".

The motion was negatived.

Mr. Speaker: The question is:

Page 19, line 17—

omit "113".

The motion was negatived.

Mr. Speaker: The question is:

Page 19, lines 25 and 26—

after "subject to" *insert* "annulment or".

The motion was negatived.

Mr. Speaker: The question is:

"That clause 43, as amended, stands part of the Bill".

The motion was adopted.

Clause 43, as amended, was added to the Bill.

Clauses 16, 35, 36 and the Schedules

Mr. Speaker: Clauses 16, 35 and 36 are connected with the Schedules. The amendments relating to these may be moved.

Pandit Thakur Das Bhargava: I beg to move:

(i) Page 24—

after line 2, *add*:

"Provided that in the case of displaced insurers relevant actuarial investigations shall mean the last valuation only."

(ii) Page 24—

after line 2, *add*:

"Provided that in the case of displaced insurers half of the sum resulting from the addition of the four items given in paragraph 5 shall be added to the first of the two relevant actuarial investigations mentioned in the Explanation."

Shri Tulsidas: I beg to move:

(i) Page 23—

for lines 14 to 23, *substitute:*

"*Paragraph* 1.—Twenty times the annual average of the share of the surplus allocated to shareholders as disclosed in the abstracts aforesaid in respect of the last actuarial investigation multiplied by a figure which represents the proportion that the business in force during the calendar year 1955 bears to the average business in force during the calendar years comprised in the period for which the last actuarial investigation was made."

(ii) Page 23, line 18—

for "1950" *substitute* "1953".

(iii) Pages 23 and 24—

omit lines 32 to 37 and 1 and 2 respectively.

(iv) Page 24, lines 7 to 10—

omit "where an insurer has allocated to shareholders more than 5 per cent. of any such surplus as is referred to therein, the insurer shall be deemed to have allocated only 5 per cent. of the surplus and".

(v) Page 24, line 8—

for "5 per cent" *substitute*:

6¼ per cent".

(vi) Page 24, line 11—

for "allocated any such surplus to shareholders" *substitute*:

"allocated to shareholders any such surplus as is referred to therein".

(vii) Page 12—

for lines 1 to 8, *substitute*:

"(2) The amount of the compensation to be given under sub-section (1) above, shall, in the first instance, be determined by the Corporation in accordance with the aforesaid principles, and if the amount so determined is approved by the Central Government, it shall be paid to the insurer without prejudice to his rights under sub-section (3) below, with interest at three and a half per cent. from the 19th January, 1956, till the date of payment and that such payment shall be made before the 31st December, 1956.

(3) If such payment is not acceptable to the insurer in full satisfaction of the compensation payable to him under this Act, he may within such time as may be prescribed for the purpose have the matter referred to the Tribunal for decision; and where the Tribunal orders to be paid to the insurer any sum in addition to the principal sum paid to him under sub-section (2) above, such sum shall be paid within one month of the date of the order of the Tribunal together with interest on it at three and a half per cent. from the 19th January, 1956, till the date of payment."

Shri Sadhan Gupta: I beg to move:

(i) Pages 23 to 26—

for Part A *substitute*:

"Part A

The compensation to be given by the Corporation to an insurer having a share capital on which dividend or bonus is payable, who has allocated as bonus to policy-holders the whole or any part of the surplus as disclosed in the abstracts prepared in accordance with Part II of the fourth Schedule to the Insurance Act in respect of the last actuarial investigation relating to his controlled business as at a date earlier than the 1st day of January, 1955, shall be ten times the share of the surplus so disclosed which was allocated to shareholders.

Explanation 1.—Where no share of the surplus so disclosed was allocated to shareholders or where the share allocated was below 3½ per cent. the share allocated shall be deemed to be 3½ per cent.

Explanation 2.—An insurer incorporated outside India shall be deemed to have allocated to shareholders the same percentage of the surplus as disclosed in the abstracts prepared in accordance with Part II of the Fourth Schedule to the insurance Act in respect of the last actuarial investigation as at a date earlier than the 1st day of January, 1955, as the percentage of the surplus in respect of the world business of the insurer as ascertained with reference to the last actuarial investigation relating to such business as at a date earlier than the 1st day of January, 1955 which is allocated to shareholders, such percentage being computed subject to the provisions of explanation I and any amount in excess of 7½ per cent. being ignored:

Provided that in the case of any such insurer in respect of whom an order has been made under section 35, the amount computed as follows shall be deemed to be the surplus :—

(a) there shall be deducted from the surplus as disclosed in the abstracts aforesaid, interest at 3½ per cent. per annum for one year calculated on the assets specified in any order made under sub-section (2) of section 35;

(b) with respect to the balance arrived at under clause (a), there shall be computed an amount that bears the same proportion to the said balance as the liability on policies appertaining to the controlled business of the insurer, other than those expressed in any foreign currency issued on the lives of persons who are not citizens of India, bears to the liability in respect of all policies appertaining to such business, the liabilities on policies being computed as the 31st day of December, 1955, in accordance with the provisions contained in clause (b) of the Second Schedule:

Provided further that—

(a) in any case where the order made under section 35 is with reference to sub-section (2) only, the preceding proviso shall have effect as if clause (b) had been omitted therefrom; and

(b) in any case where the order made under section 35 is with reference to sub-section (3) only, the preceding proviso shall have effect as if—

(i) clause (a) had been omitted :

(ii) in clause (b), the words, brackets and letter "with respect to the balance arrived at under clause (a)" had been omitted; for the words "the said balance" the words "the surplus" had been substituted; and for the words, brackets and letter "with the provision of clause (b) of", the words and letter "with method A specified in" had been substituted.

Explanation 3.—Where an insurer is an insurer incorporated outside India whose paid-up capital is outside India, the provision contained in this part shall have effect as if a sum equal to that part of the paid-up capital of the insurer as determined by the Central Government to be allocated to the controlled business of the insurer had been deducted from the surplus of the share which is allocated or deemed to have been allocated in accordance with the provisions of this part."

(ii) Page 23—

for lines 5 to 30 *substitute*:

"The compensation to be given by the Corporation to an insurer having a share capital on which dividend or bonus is payable, who has allocated as bonus to policy-holders the whole or any part of the surplus as disclosed in the abstracts prepared in accordance with part II of the Fourth Schedule to the Insurance Act in respect of the last actuarial investigation relating to his controlled business as at a date earlier than the 1st day of January, 1955, shall be ten times the annual average of the share of the surplus allocated to shareholders as disclosed in the abstracts aforesaid in respect of the relevant actuarial investigations multiplied by a figure which represents the proportion that the average business in force during the calendar years 1950 to 1955 bears to the average business in force during the calendar years comprised in the period between the date as at which the actuarial investigation immediately preceding the earliest of the relevant actuarial investigations was made and the date as at which the last of such investigations was made."

(iii) Page 23, line 13—

omit "or paragraph 2, whichever is more advantageous to the insurer."

(iv) Page 23, line 14—

for "Twenty times" *substitute* "Ten times".

[Shri Sadhan Gupta]

(v) 23, lines 16 to 23—

omit "multiplied by a figure which represents the proportion that the average business in force during the calendar years 1950 to 1955 bears to the average business in force during the calendar years comprised in the period between the date as at which the actuarial investigation immediately preceding the earliest of the relevant actuarial investigations was made and the date as at which the last of such investigations was made."

(vi) Page 24—

omit lines 3 to 6.

(vii) Page 23—

omit lines 24 to 30.

(viii) Page 23, line 31—

for "paragraph 1" *substitute* "this part".

(ix) Page 24, line 4—

for "(including any bonus)" *substitute* "excluding all bonuses)".

(x) Page 24, line 7—

for "paragraph 1" *substitute* "this part".

(xi) Page 24—

(i) line 8—

for "5 per cent." *substitute* "4 per cent."

(ii) line 10—

for "5 per cent." *substitute* "4 per cent."

(xii) Page 24—

(i) line 12—

for "3½ per cent" *substitute* "3 per cent".

(ii) line 13—

for "3½ per cent" *substitute* "3 per cent".

(xiii) Page 24, line 17—

for "paragraph 1" *substitute*. "this part".

(xiv) Page 25, line 31— .

for "paragraph 1" *substitute* "this part".

(xv) Page 25, line 35—

for "were inserted at the end of that paragraph and" *substitute*:

"were inserted before explanation 1 of this part and immediately after the words "and the date as at which the last of such investigations was made".

(xvi) Pages 25 and 26—

omit lines 36 to 39 and 1 to 5 respectively.

(xvii) Page 18—

after line 3, *add* :

"Provided further that nothing contained in this section shall affect the right of any special agent to any overriding commission in respect of business procured by him through insurance agents till immediately before the appointed day, if and when the payment of the annual premium in respect of such business is completed."

Shri C. D. Deshmukh: I beg to move:

Page 27—

after line 26 *add* :

"*Paragraph* 5.—If the insurer to whom compensation is to be given under this Part is a displaced insurer, the compensation to be given shall be computed in accordance with the following provisions :—

Firstly, there shall be ascertained the losses incurred by the displaced insurer in respect of claims arising by deaths established by the displaced insurer to have been caused by the civil disturbances which took place on the occasion of the setting up of the Dominions of India and Pakistan, the total loss being taken as the difference between the amounts paid as claims in respect of such deaths and the total amount of the actuarial reserve in respect of the relevant policies;

Secondly, there shall be ascertained the difference between the market value as at the 15th day of August, 1947 of any immovable property in West Pakistan belonging to the displaced insurer and the market value thereof determined under *Paragraph* 3 of this Part, or, where any such immovable property has been sold before the 19th day of January, 1956, the difference between the market value thereof as at the 15th day of August, 1947, and the sale price;

Thirdly, there shall be ascertained the amount of deposits held by the displaced insurer in banks which could not be withdrawn on account of a moratorium declared under any law for the time being in force, to the extent to which such deposits have become losses;

Fourthly, there shall be ascertained the difference between the market value as at the 15th day of August, 1947, of any shares in any company now carrying on business in West Pakistan held by the displaced insurer and which had been acquired before the 15th day of August, 1947, and the market value of such shares as at the 19th day of January, 1956.

The amount of compensation to be given to the displaced insurer under this Part shall be—

(a) the amount which would have to be given to him if this Paragraph had not been enacted, *plus*

(b) an amount which represents one half of the difference between the compensation which would have to be given to him if to the value of the assets referred to in *Paragraph* 3 there had been added the sum of the four items referred to in this Paragraph and with respect to the liabilities referred to in Paragraph (4), the life insurance fund had been increased by a like sum, and the compensation which would have to be given to him if this Paragraph had not been enacted,

or

one half of the paid-up capital of the displaced insurer whichever is less.

Explanation.—For the purposes of this Paragraph 'displaced insurer' means an insurance company whose registered office during any part of the year 1947 was in any area now forming part of west Pakistan and whose registered office is now in India."

Pandit Thakur Das Bhargava: I beg to move :

That in the amendment proposed by Shri C. D. Deshmukh—

(i) *Before* the Explanation *omit* :

"or

one half of the paid-up capital of the displaced insurer whichever is less" ;

(ii) in part (6) *for* "less" *substitute* "more."

Shri Keshavaienger (Bangalore North): I beg to move:

(i) Page 30—

after line 10, *add* :

"Provided that the chief agent shall have the option of payment of a lump sum amount of seven times the overriding commission on renewal premiums earned by him in the year immediately previous to the appointed day."

(ii) Page 30, line 10—

for "annually" *substitute* :

"to him or his nominees monthly".

(iii) Page 30, line 10—

add at the *end*:

"and also a lump sum amount comprising of ten times the overriding commission on the fresh business introduced by the said chief agent in one year immediately preceding the appointed day."

Shri S. V. Ramaswamy (Salem): I beg to move:

Page 27—

after line 36 *add:*

"Part D

The compensation to be given by the Corporation to an insurer of less than twenty years standing or having only a business of less than three crores shall be—

(1) Twenty times the annual average of the share of the surplus of 7½ per cent. allocated to the shareholders in their latest valuation; or

(2) on the basis of treating their business as on 19th January, 1956 as a closed business by taking over enough assets to meet the policy-holder's liability by an actuarial valuation, the principle of which is to be determined by the corporation and accepted by the company and leaving the balance of the assets, if any, with the company for the benefit of the shareholders, whichever is more advantageous to the insurer".

Mr. Speaker: All these amendments are now before the House.

Shri Tulsidas: First of all, I shall refer to amendment No. 13 to clause 16. This clause provides for the determination of compensation by the Corporation. My amendment provides that the compensation, as determined, shall be paid, and if it is not acceptable, the dispute shall be referred to the Tribunal. It also provides for payment of interest at 3½ per cent. on the sum payable from the 19th January 1956 till the date of payment. It also puts a time-limit within which the payment should be made. My amendment also provides that the reference to the Tribunal should only be in respect of any balance of compensation, and the balance, if any, shall be paid within the time-limit with interest.

Insurers have been deprived of their business since the 19th January 1956. This Bill lays down the principles on which compensation should be determined. It is essential that this process is expedited, and that compensation should be determined as soon as possible. We have already provided for Government's sanction to the Corporation's estimates. There should be no dilatoriness in this respect, as happens in most cases with Government. It is not fair that they should take away the business with the utmost promptness and when it comes to paying for it, they should take their own time. I, therefore, suggest that payment should be made before the 31st December 1956, and want to see that it should bear interest at 3½ per cent. from the date of taking over (19th January 1956) to the date of payment.

I may mention one thing here. The Bill provides for offer of compensation and this offer is acceptable only in full satisfaction of compensation. This, I think, needs modification. The principles on which compensation is to be determined are laid down by law. If there is a dispute, it is a justiciable dispute. The Bill already provides for appeal to the Tribunal. Is it then fair to penalise the appellant by providing that he shall not receive compensation till the Tribunal decides? There is no dispute regarding the amount determined by the Corporation; the dispute is only about possible excess.

Why then provide for the sum so determined? I would urge that the sum determined by the Corporation should just now be paid to the insurer and in case of disputes regarding excess, that point alone should be referred to the tribunal. If the tribunal orders anything to be paid, such amount should be paid within one month of the order with interest from the 19th January 1956 till the date of payment.

I would like to add one more point. As soon as nationalisation was ordered, bonds were issued which had interest accruing from that date. When the business of the company had been taken over from the 19th January 1956, the interest would accrue to the companies from that day. That is the point which I am making and have made in accordance with my amendment. I suggest that if there is a dispute, it can be referred to the tribunal.

I will refer now to the schedule. I find in the House an atmosphere that compensation has been paid more lavishly or it has been paid more than what the companies are entitled to. The hon. Finance Minister has rightly put forward his view that compensation is not in fact generous and that he considers it to be fair. I only hope that the House would realise the work of this industry. Soon after we had our Independence, there was the question of partition and then difficulties arose. Before Independence, a very large portion of the business was in the hands of foreign companies; soon after Independence, for two years the Indian companies had to suffer in a bad way due to partition. Until 1950 there was no stability with regard to increasing the business. In 1956 when this industry was taken over, 80 per cent. or more than 80 per cent. of the business in India is conducted by Indian insurance companies, and not foreign companies. The record of this industry, in my opinion, is a very wonderful one in spite of whatever things other people may have to say against it. These Indian companies have largely increased the business in five years; in the last year alone, the business increased to a considerable extent. I only hope that the Corporation would try to increase the business to such an extent as it had been possible to increase for all the companies put together. As regards compensation, as you took over the companies' business on the 19th January 1956, at least they are entitled to get their compensation on the day their business was taken over. But here the schedule says "the average of the last

two valuations", which means from the year 1950 to 1955 inclusive. It means that you take the value on the basis of the year 1952 and not on the basis of 1955, if you take the average for the last six years. As I explained to you, the record of this industry is really one of the best in this country and yet you pay the compensation three years behind, that is, valued on the basis of the year 1952 and not 1955. Is it fair?

The only thing that the Select Committee has done is to include the year 1955, but the average is still being kept up on the basis of the year 1952. I should like the Finance Minister to take into consideration the fact that this industry as a whole has done their job in a wonderful way and that, therefore, the industry should be compensated on the basis of the value on the day it was taken over.

Let me submit another point. If you see the records of the valuation and the experience of how the valuation has been done, and also what is taken into consideration before fixing the premium and the bonus, there has always been a margin of 20 per cent. in what they had already provided. This margin has not been taken into consideration, because the valuation which has to be done in 1955 is to be done on the basis of the previous valuation and increasing it on the basis of the further business done. Here again, there is a safety margin of 20 per cent. in the valuation. That again these companies do not get now. I am not saying that you pay them full, but you do not pay them even according to what the companies have been able to get in the way or surpluses or have been able to get in the way of a certain amount of business on the basis of their experience.

There is a feeling in this House that whenever the question of compensation is taken up, there are only 10 or 20 people in the country who will get it. But there are 50,000 or 60,000 shareholders who get this compensation and not 20 people. I do not see any difference between a shareholder of a company and a worker of the company which my hon. friends on my right always make.

Shri Nambiar (Mayuram): There is a world of difference.

Shri Tulsidas: The very worker in an insurance company is also a shareholder; the hon. Member does not realise that. The worker in an insurance company is a shareholder as well; the workers in the banking companies and other companies are shareholders of the companies.

Mr. Speaker: Does he mean mutual companies or proprietary companies?

Shri Tulsidas: Not mutual companies. The surplus goes to the policyholders. In the ordinary shareholding companies, the shareholders are the common people who hold a considerable percentage. In New India, for example, there are more than 15,000 shareholders who hold more than 50 to 60 per cent. of the shares. Is it not possible for a worker in a banking concern or an insurance concern to have a saving of Rs. 200 a year, with which he can hold four or five shares in the company?

The Oriental is always quoted as an example for the figure of Rs. 8,000 to be paid to the shareholder. As the Finance Minister himself realises, the Oriental was started about 70 or 75 years back. A year back the Oriental was wanting to make a mutualised company and pay compensation to the shareholders. According to the valuation done by the actuaries, the shareholder would have got Rs. 8,000 one year back. What is the compensation that they will get now?

Shri Nambiar: That is why it was not permitted by the Government.

Shri Tulsidas: The Government did not want it because then nationalisation came up. But if there was no question of nationalisation, they would have decided to give Rs. 8,000 to the shareholder. That was the value. Under the present scheme, the shareholder might get Rs. 4,400, according to the Finance Minister. My hon. friend, the Minister of Revenue and Civil Expenditure, usually says that he is always the representative of the labourer and the worker and, therefore, he is not interested to pay us. He is always interested to bring out malpractices, but he does not realise that it would recoil on his work as well.

The Deputy Minister of Finance (Shri B. R. Bhagat): A section of the House says that.

Shri Tulsidas: I am glad the other Minister has at least a sense of fairness to try to understand the point of view.

Shri Nambiar: It means that the other Minister is unfair.

Mr. Speaker: No such inference.

Shri Tulsidas: I wish to say....

The Minister of Revenue and Civil Expenditure (Shri M. C. Shah): It will be a compliment if I do not accept Shri Tulsidas's suggestions, which are always generous at the cost of others.

Shri Tulsidas: The Select Committee has increased the figure from 3 to 3½ per cent. and very few companies are going to benefit. The Oriental could still get the benefit because it has still been allocating about 3·88 per cent. Under the Insurance Act, out of the surplus valuation, the company can give its shareholders 7½ per cent. 92½ per cent. belongs to the policy-holders. The Oriental allocated, on their valuation in both 1951 and 1954, 3·8 per cent. and they will be getting on the basis of 3·8 per cent. That is the largest amount of compensation that this company will be able to get. Most of the other companies have been allocating 7·5 per cent. Before the 1950 amendment, according to the Insurance Act, it was 10 per cent. In other countries, the allocation was to the extent of 10 per cent. What has the Select Committee done? It has reduced it from 7½ per cent. to 5 per cent. The funny part of it is that even this Corporation which they are providing will be entitled to get 5 per cent. of the surplus of those companies which have been working for all these years. They have been given valuation on the basis of the position in 1952. The safety margin of 20 per cent. which has been there has not been taken into consideration. Although the companies have been getting 7½ per cent. till now, the Corporation or the Government does not agree to that figure now. Is it fair? The hon. Finance Minister said yesterday that he wants to be fair and not overgenerous. I do not want him to be overgenerous; I only want him to be fair. We are not paying the companies on the basis of the present valuation of the companies. We are only capitalising to the extent of the earning of the company. The reserve funds of the company, whatever they may be, will be taken over by the Corporation. This Corporation also will be getting 5 per cent. of the surplus. Therefore, whatever compensation is paid will be paid from the very funds of these companies. Within a short space of time, the Corporation will be able to get all the compensation which it has paid from the funds which they take over from the companies. It is not the Government funds or the public funds which will be paid to these companies.

Shri Nambiar: From the share capital, they cannot meet it.

Shri Tulsidas: The Corporation is also entitled to take 5 per cent. of the surplus and this will continue in future years also. So, within 5 or 7 years it will get back all the amount that it is now paying as compensation to the companies.

The other point that the Finance Minister has been kind enough to consider is the question of displaced companies. I am glad that he is going to bring an amendment also in this respect. I do not know what are the points which will be taken into consideration. I have got a case here in which the company alone has got claims for about Rs. 80 lakhs for the property they have lost in Pakistan, for which they have put in a claim. I do not know to what extent that loss will be made up....

Pandit Thakur Das Bhargava: Apart from that, the amendment No. 209 applies not to such companies, but to those companies which come under Part B.

Shri Tulsidas: I would like the Finance Minister to consider this aspect. You are taking over a going business, a first class type of business, and therefore, you have to pay compensation at least to those companies who have lost assets in Pakistan. The Government is bound to get back those amounts from Pakistan and therefore the companies also must be paid compensation for this loss. I would like him to consider this aspect not in an overgenerous way, but only in a fair way. The valuation is to be done on the basis of position in 1952 and not 1955, the day when they are taking over.

I have given two alternative suggestions in my amendments Nos. 40 to 45. My amendment No. 41 is alternate to amendments Nos. 40 and 42. If the Finance Minister does not want to give on the basis of the position at the end of 1955, instead of having 6 years' average make it 3 years' average—1953, 1954 and 1955. I would much prefer the acceptance of amendments Nos. 40 and 42, but if he does not want to do it, I am agreeable to three years' average being taken.

Shri Nambiar: What will be the amount involved if your amendment is accepted?

Shri Tulsidas: I do not know, but..

Shri Nambiar: We have to pay from the Exchequer three crores of rupees more.

Shri Tulsidas: Whatever amounts you pay will be recovered by the Corporation from the surplus which it will be getting in future years.

My amendment No. 44 says "6½ per cent" instead of "5 per cent". For those companies which have not given any allocation, you are prepared to give up to 3½ per cent. For those companies which have given up to 7½ per cent allocation, you want to reduce it to 5 per cent. I am trying to effect a compromise by amendment No. 44 and put 6½ per cent.

I would like the Finance Minister to consider all these points which I have mentioned. I hope he will not become dogmatic. He has said that he wants to be fair. I also do not want him to be overgenerous, but only to be fair in considering the points I have raised.

Shri Sadhan Gupta: I very much regret that the Finance Minister has thrown out a suggestion that the compensation is fair though not generous. I shall try to show, as I proceed, that from the point of view of society, the compensation is certainly not only generous, but it is unconscionably overgenerous. I will try to show that from the point of view of society, it is generously unfair.

Before, I do that, let me try to meet the claimants for compensation on their own grounds. They claim compensation because they claim the exclusive credit for developing the insurance business. If we look at the way in which the insurance business has developed, the kind of thing that was taking place due to malcompetition between the insurers and the large lapse ratio, is unprecedented. Malpractices, even of the criminal kind of misappropriation of certain funds, and malpractices which perhaps they do not consider to be malpractices, namely, the diversion of funds to the undertakings in which the authorities of the insurance companies are interested, are rampant in the business. When we are considering all that, the operation of the Indian insurers reveals a very sorry state of affairs and it certainly does not deserve any credit for developing the business.

There is also another side to it. All the credit for the good business they have done does not go to them. For quite a time past substantial tax reliefs, income-tax reliefs, have been granted in respect of premium paid. That has had a considerable influence in inflating their business. Then, for the last five or six years we have been incurring heavy public expenditure in connection with many activities. The result of the public expenditure may not have led to the benefit of all classes of people in this country, but it is undeniable that it did have some effect in raising the incomes of certain sections of the people and from that too the life insurance concerns had benefited. Then again, the rise in the bank rates had raised their interest earnings. All that windfall they have had without any effort on their part and due to extraneous circumstances. Therefore, if they claim credit for the whole growth of business, it is a very undeserved claim and it should not be entertained. If compensation is to be paid on the basis of the contribution to the growth of insurance business, certainly the State which has contributed to it by measures, direct as well as indirect, is entitled to a part of it; that is to say, it is entitled to retain a part of the money which the insureres claim by way of compensation.

Not only that. The insurers in India have also built up their business partly at the expense of policy-holders. It is well-known that the reserves kept by Indian insurers against policies are much lower than what are kept by foreign insurers. Sir, I understand on expert authority that, if the same kind of reserves were insisted upon in the case of Indian insurers the biggest of Indian insurers would have gone insolvent. I think the Finance Minister also will bear me out in regard to this statement. The result

[Shri Sadhan Gupta]

is that the surrender value on policies in the case of most Indian insurers, I am told, is much less than the surrender values in the case of foreign insurers to this extent that often it is even one-third of surrender values at certain stages. This shows that they have conducted business not on proper lines; they have often played ducks and drakes with the policy-holders' money and thereby enriched themselves. They have gone to the extent even of misappropriating and misapplying funds in many cases and, in any event, they have built up the profit for themselves and for the shareholders at the expenses of the policy-holders by keeping much lower reserves than are kept in many places in the world. Therefore, it is idle to say that they should get the compensation for the entire business, the entire profits they show to shareholders.

As to whether we should or should not guarantee those profits; whether we should or should not take into account those profits in calculating compensation, I shall come to later, but I want to emphasise here that even from their own point of view, the amount of compensation they claim is not justified.

Sir, the Bill proceeds on the basis that compensation should be on the capitalising or the estimated earning capacity. The calculation obviously is that a return of 5 per cent is to be assumed and on that basis 20 years earnings are to be capitalised. Now, of course, I am not going into the question whether his compensation is fair from the capitalistic point of view; what has been the growth of business recently and how the reckoning of averages fails to take into account or does take into account the recent growth of business and all that. I am not going into these matters because, from the point of view from which I look at the thing, those questions are irrelevant.

The insurers want 20 years' possible earnings as compensation. The Government wants to give 20 years' average earnings. May I put one question, Sir, to those who want to capitalise earnings at 20 years? Some insurance companies appoint bank peons. Suppose in the course of taking some money of the insurance company the bank peon is attacked by gangsters or decoits and he gets killed. He loses his earning capacity. His family is stranded. Now, suppose he was getting an income of Rs. 90 a month. Can any insurer say that he would pay the peon's family a compensation of 90 x 12 x 20—I think it comes to Rs. 21,600? If that was suggested, I am sure every insurer would say that it is preposterous. I can assure you that most of the insurance companies would be able to pay it. They are solvent enough. At least many insurance companies would be able to pay it, but they would oppose it on principle and say that it is preposterous.

Now, a worker, an employee who loses his earning capacity, whose family is deprived of his income because of something suffered in the course of employment, in his case it would be regarded as preposterous. As a matter of fact, the same kind of attitude has been adopted by our legislation. A workman gets only 3½ years under the Workmen's Compensation Act. Under the Industrial Disputes Act, a person with a service of 20 years gets only 11 months. Under this Act, when a person leaves your employment after rationalisation, he gets only three months and even less if his contract provides for less. Under those circumstances, can there be any talk of fairness in demanding compensation to 20 years. So, the best that an employee can expect is compensation or a retirement benefit of about 8 years. For example, if he is having a Provident Fund and calculating it at the highest he gets 10 per cent contribution from the company. So, if he is in service for 20 years he gets only two years' average earnings by way of Provident Fund. Then, by way of gratuity he gets only one year and eight months on a maximum and often it is only one year and three months because it is limited to 15 months. Therefore, the result is that in the case of an employee, a man who earns by the sweat of his brow would get only three years, at the most four years when he is bound to retire or lose his earning capacity. If he retires earlier and if his earning capacity is lost, he gets less. That is the position in society. Must we compensate people who have done nothing except merely to invest money at great risk? Shri Tulsidas has asked why do I make a distinction between workers and shareholders. The shareholders are workers and the workers are shareholders. Very well, but I do not agree with him entirely. It is a fact that in the case of the biggest insurance companies, people by themselves or through their family members or relatives control blocks of shares and they would get rich by that procedure. But even if workers are shareholders owning one share or two shares, they do not depend for their livelihood on their income from the shareholdings. Their position as a worker is different from the position of a shareholder. To safeguard their position as a shareholder, to give them a reasonable chance, I have proposed certain amendments to which I shall come later. The distinction is between a person in the capacity of the service which he renders to society—whether he renders a substantial service or renders no service at all or very little service. Now, a worker's service cannot be compared to a shareholder's even if it be rendered by the same person. Therefore, some difference, and what is more, some balance must be maintained between the principles which are applicable to a worker and the principles which are applicable to a shareholder. It is this social balance that I plead for.

Now, it was said that there is no justice in this. Shri U. M. Trivedi interjected and asked why should you do injustice for the fear of paying more. It is not the fear of paying more. It is because we must stick to certain social principles. If a capitalist is not willing to pay the employee 20 times his annual earnings when he is deprived of his earnings, he has no right to claim from society 20 times his annual earnings. That is the way I look at the thing. Therefore, the question is this: what principle should we adopt for determining the compensation? I think the principles are clear. Since we cannot guarantee to every section every pie that one is supposed to be able to earn for eternity, we have to adopt some other principle, and what is that principle? It is this: compensation must not be so excessive that it is deprived of all balances as between different classes in society, placed in similar circumstances. What I say is, one kind of calculation should not apply to a worker and another kind of calculation should not apply to the capitalist.

Secondly, compensation should not be so meagre that the person receiving it would be deprived of a reasonable chance of rehabilitating himself from it. Supposing, he has been entirely dependent on it, it would be difficult for him to carry on. Therefore, I have suggested certain amendments which would be in conformity with both these principles.

What I would like most is that payment should be ten times the annual average of the business as envisaged in the previous Bill. That is to say, the previous Bill envisaged 20 times, but what I suggest is, ten times for all, whether they are governed by paragraph (1) or paragraph (2). There should be no distinction between paragraph (1) and paragraph (2). For this purpose, I have moved amendments 131, 132, 112, 133, 134, 113, 136 and 138 to 141. If you want to give more—although I would not personally agree—I would suggest ten times the annual average, taking into account the business from 1950 to 1955 according to the present scheme, that is to say, half the amount which is suggested in the present scheme, on a uniform basis without distinction between paragraph (1) and paragraph (2).

Then, I would go further. Even if this suggestion were not acceptable, I would say that you should allocate ten times the last surplus allocated. Allocate that amount and be done with it. But, to go further than this is absolutely impermissible. If you allocate ten times the last surplus which shareholders received, they get ten years' dividend. For ten years they are certain of their position. In the meanwhile, they can make shift for themselves. They are in a very much better position than an employee who is thrown out of his job. Therefore whether the shareholders are rich or poor, this would do every justice to them.

Then, I would also plead that if the present formula is being maintained, it can be done with certain modifications. Firstly, in calculating the amount of compensation, bonuses assured should not be taken into account. The amount should be calculated only on the sum assured, and therefore, I have moved amendment No. 135 for this purpose.

Further, the maximum limit of the permissible allocation for the purpose of calculating the compensation should be reduced from five per cent to four per cent and the minimum limit should be reduced to three per cent. My reasons are these. It is sought to represent that the insurers undertook great sacrifices by voluntarily limiting their allocation to below 7½ per cent. It is nothing of the kind. They were trying to attract business by giving more bonuses to policy-holders than others. That is why business came in and greater

[Shri Sadhan Gupta]

and greater business came in. As a result, what they would have gained by allocating 7½ per cent would have been less than what they gained by allocating 3·8 per cent or 4 per cent or even 3 or 2 per cent. That is why, to attract business by offering allurements to people by way of greater bonuses, they limited their allocations. It shows that the shareholders were quite satisfied with the percentage of allocations and they consider it fair to themselves. Now why should we increase the allocations? If some people allocate it at 7½ per cent, it shows that they were in a position to appropriate more money than what is considered to be fair. In big companies like the Oriental, 3:8 per cent is considered to be fair. Therefore, I suggest that the maximum limit should be placed at four per cent.

Similarly, as regards those who could not allocate much and who could not allocate more than 3 per cent, there is no reason why they should get more than 3 per cent. Even those who have allocated nothing will get 3 per cent under the formula. Those who have allocated one per cent will also get 3 per cent. Those allocating 2 per cent will get 3 per cent under my formula. There is no reason for giving them 3½ per cent, because it is by no means certain that they would be in a position to allocate 3½ per cent in the service at any time.

Therefore, I would suggest that my amendments seeking to put in a compensation formula are accepted, or at least the maximum and the minimum limits should be reduced.

As regards compensation, I have to say that I would, if left to myself, not agree to grant compensation in the light of those amendments.

I think even that upsets the social balance. But, I am in the position of having to part with a part of my property in the face of attack by bandits. Therefore, in these circumstances, I would agree to part with more than I should normally be willing to.

2 P.M.

I have only one other matter regarding clause 36 about special agents. There is one thing regarding special agents to which I want to draw the attention of the Finance Minister. It is provided in clause 36 that the special agents' contracts are to terminate and they can claim no rights. The special agents may have procured business through agents up to the appointed date. Normally they would be entitled to renewal commission of 15 per cent on that business. As the clause at present stands, they would not be entitled to claim even that overriding commission after the appointed day although the Corporation might have received premium in respect of that business. I think it is fair that when a special agent has procured business under the contract and the Corporation is receiving the benefit of the premium then, the special agent should be given the renewal premium which would have been due to him. Therefore, I have given notice of amendment No. 204 where I want to add at the end of clause:

> "Provided further that nothing contained in this section shall affect the right of any special agent to any overriding commission in respect of business procured by him through insurance agents till immediately before the appointed day, if and when the payment of the annual premium in respect of such business is completed."

I think it would be fair to special agents to give them the right to earn commission on the business given and pay them compensation for the earnings of which they may have been deprived of by reason of termination of the contract.

पंडित ठाकुर दास भार्गव : जनाब स्पीकर साहब, आखिरी बात जो श्री साधन गुप्त ने कही है, वह काबिले तवज्जह है । उनकी राय यह है कि स्पेशल एजेंटस (विशेष मीकर्त्ताओं) को जो कुछ मिले वह उस पर मिले जो वे आखिर दिन तक बिजनेस (कारबार) दें । यह चीज दुरूस्त है । तीसरे शेडयुल (अनुसूची) में लिखा है कि फलां डेट (तिथि) से फलां डेट तक जो काम उन्होंने किया हो, उसपर उनको कमीशन दिया जायेगा । इसे मैं मुनासिब नहीं समझता हूं । उसूल के मुताबिक जितना भी काम उन्होंने किया है उस सब पर उनको कमीशन मिलना चाहिये ।

इसके इलावा जो चीफ एजेंटस हैं उनके बारे में मैंने पहले भी अर्ज किया था और आज भी करता हूं कि उनको जो भी अदायगी होती है

वह उसी तरह से होती रहनी चाहिये जिस तरह से कि अब होती है। यानी जितना उनको रिन्युअल बेसिस (नवीकरण आधार) पर अब दिया जाता है और जिस तरह से दिया जाता है वैसे ही उनको मिलता रहना चाहिये न कि सालाना रकम उनको अदा की जाये। अगर ऐसा न किया गया तो उनका जो तरीका जिन्दगी है, उस पर बुरा असर पडेगा। ऐसा नहीं होना चाहिये कि एक साल की रकम बना कर एक साल के बाद उनको दी जाये।

चीफ एजेंटस को जो तरीका अदायगी हो वह इस तरह का नहीं होना चाहिये कि एक साल की रकम उनको एक ही बार अदा की जाये। फर्ज कीजिये कि इस उसूल को मान लिया जाता है तो क्या भारत सरकार के जो वजीर (मंत्री) हैं, जो हमारे फ़ाइनेंस मिनिस्टर साहब (वित्त मंत्री) हैं, उनको अगर एक साल की तनख्वाह एक साल के बाद दी जायेगी तो वह इस के बारे में क्या फ़ील (अनुभव) करेंगे। ऐसा करने से उनके लिये काम करना मुश्किल हो जायेगा। इस वास्ते मैं चाहता हूं कि जो पुराना तरीका चला आता है इन अदायगियों के बारे में उसी को फालो (अनुसरण) किया जाये और एक साल की रकम एक दम से न दी जाये। उससे उनके अन्दर अनईजीनेस (बेचैनी) पैदा होगी जो कि मुनासिब नहीं है।

अब मैं कुछ कम्पेंसेशन (प्रतिकर) के बारे में अर्ज करना चाहता हूं। एमेंडमेंट (संशोधन) नम्बर २०६ जो कि आनरेबुल मिनिस्टर (माननीय मंत्री) साहब ने मव (प्रस्तुत) की है उसके ऊपर भी मैंने चन्द एक एमेंडमेंटस दी हैं उनपर भी मैं अर्ज करना चाहता हूं। जहाँ तक इस मामले में कम्पेंसेशन का सवाल है, मैं समझता हूं कम्पेंसेशन उतना कम तो नहीं है.........

Shri U. M. Trivedi: Is there an amendment to amendment No. 209?

Pandit Thakur Das Bhargava: Yes. I have moved my two amendments to amendment No. 209.

Shri U. M. Trivedi: Does it say monthly payment?

Pandit Thakur Das Bhargava: Previously, there was another amendment in the amendment papers. That said monthly. I spoke on it two days ago.

Shri U. M. Trivedi: Do they agree to that?

पंडित ठाकुर दास भार्गव : I do not know.

मैं दो चीजों के बारे में बोलना चाहता हूं। एक तो कम्पेंसेशन के बारे में है कि आया कम्पेंसेशन जो दी जा रही है इसके अन्दर, वह मुनासिब है या नहीं और दूसरे एमेंडमेंट नम्बर २०६ जो आज नई मूव की गई है, उस पर जो मैंने अपनी एमेंडमेंटस पेश की हैं, उनके बारे में।

जहां तक कम्पेंसेशन का ताल्लुक है, मैं यह कहने को तैयार हूं कि आम तौर पर जिन लोगों को यह डर था कि अब कम्पेंसेशन बहुत कम मिला करेगा, वह तो दुरुस्त साबित नहीं हुआ। जो कम्पेंसेशन अब दिया जा रहा है और जो कम्पेंसेशन पहले बिलों (विधेयकों) के अन्दर दिया गया है, उससे यह साफ जाहिर होता है कि सरकार का यह मंशा तो नहीं है कि इतना कम कम्पेंसेशन दिया जाये कि उन लोगों के खदशात (आशंकायें) जिनको कि उन्होंने उस वक्त जब कांस्टीट्यूशन (संविधान) की दफा ३१ को इस हाउस (लोकसभा) में तबदील किया गया था, जाहिर किये थे वे ठीक सिद्ध हों। लेकिन ताहम मैं बड़े अदब से यह अर्ज करना चाहता हूं कि जब दफ़ा ३१ में एमेंडमेंट करने की तहरीक (प्रस्ताव) इस हाउस में जेरे गौर (विचाराधीन) थी उस वक्त मैं ने कहा था कि जो तरीका कम्पेंसेशन देने का हो वह ऐसा होना चाहिये कि किसी के साथ बेइनसाफी न होने पावे और ऐसी बात नहीं होनी चाहिये कि ग्रीवंसेज (शिकायतों) उससे पैदा हो जब आप सोसाइटी के कुछ मैम्बर्स (सदस्यों) से उनका हक लेते हैं स्टेट (राज्य) के लिये तो मैं कोई वजह नहीं देखता कि उस सोसायटी के मेम्बरों को इसका पूरा मुआवजा क्यों न दिया जाये। जो इन्साफ की बात है उसे हमें करना ही होगा। जब आप सोसायटी के एक हिस्से को मजबूर करते हैं कि वह सारी सोसाइटी के लिए कुछ सैक्रिफाइस (त्याग) करे, तब क्यों आप उसके मैम्बर्स को पूरा पूरा मुआवजा नहीं देते हैं। मैं अदब से पूछना चाहता हूं कि इस हाउस के कितने मैम्बर साहिबान अपनी जायदाद इस स्केल (मानदंड) के मुताबिक सरकार को देने के लिये तैयार होंगे? दूसरों की जायदाद के साथ खेलना बहुत आसान है। मेरी नाकिस (क्षुद्र) राय में जब कभी सरकार किसी आदमी की कोई जायदाद ले तो सरकार को चाहिये कि ठीक ठीक और मुनासिब मुआवजा

[पंडित ठाकुर दास भार्गव]

उसको उसका अदा करे। फिर जब मुआवजा दिया जाता है तो हमारे श्री नम्बियार साहब कहते हैं कि यह जैनेरस (उदार) है। हमारे फाइनेंस मिनिस्टर साहब बड़े शौक से कहते हैं कि नहीं यह फेयर (उचित) है, यानी जो मुनासिब चीज होनी चाहिये, उसके टुकड़े कर दिये। आपको देना चाहिये था क्विड प्रो क्वो (तत् प्रति तत्) लेकिन वह आप देते नहीं हैं। लेकिन फिर जब आप कुछ देते हैं तो उसमें से स्टेजिज़ (अवस्थायें) निकलती हैं कि यह जेनरस है, यह फेयर है, यह निगर्डली (बहुत कम) है। मैं अदब के साथ अर्ज करना चाहता हूं कि जितना भी आप कम्पेंसेशन दें वह अगर उसके क्विड प्रो क्वो से कम हो, ईक्वेवेलेंट (समान) से कम हो तो वह सारे का सारा ही अनफेयर (अनुचित) हो जाता है। फेयर तो यह है कि जो कुछ आप उससे लेते हैं उसके बदले आप उसको पूरा दें। लेकिन ताहम मैं यह अर्ज कर रहा था कि दफा ३१ में जब तबदीली की गई थी उस वक्त लोगों के दिलों में कुछ डर पैदा हो गये थे जो कि हट गये मालूम होते हैं क्योंकि आप अब यह कहते हैं कि हम फेयर कम्पेंसेशन देने को तैयार हैं। लेकिन साथ ही साथ में इस क्रिटिसिज्म (आलोचना) को भी नहीं समझ सका कि जब लोग यह कहते हैं कि आप जेनरसली (उदारता से) दे रहे हैं, यह कैसे जेनरसली दिया जा रहा है। इन सब क्रिटिसिज्म को सुनने और समझने के बाद में यह कह सकता हूं कि जिस हद तक आप मुआवजा दे रहे हैं, उसे जेनेरस नहीं कहा जा सकता। मैं समझता हूं कि जो मुआवजा आप दे रहे हैं वह मुनासिब मुआवजा नहीं है, जेनरसली देने का तो सवाल ही पैदा नहीं होता है।

अभी मैंने अपने दोस्त साधन गुप्त की तकरीर सुनी और उनकी तकरीर को सुन कर मैं थोड़ा सा हैरान रह गया। उन्होंने एक वर्कर (कार्यकर्त्ता) को जो मुआवजा दिया जा रहा है उसका मुकाबला एक शेयरहोल्डर (अंशधारी) को जो मुआवजा दिया जा रहा है, उससे किया है और इसके बारे में अपनी वजूहात दी हैं और साथ ही साथ यह भी कहा है कि एक वर्कर को तो आप तीन महीने की तनख्वाह देते हैं तो फिर क्या वजह है कि दूसरों को आप इतना ज्यादा देते हैं। मैं इसमें तफसील से नहीं जाना चाहता क्यों कि मेरे पास वक्त नहीं है। मैं चाहता हूं कि वह इस चीज को पूरी तरह से एग्जेमिन (जांच) कर लें, क्योंकि मैं समझता हूं कि उनकी जो अपनी तजवीज है वह सारी बहस को नाकिस कर देती है। मैं अदब से उनसे पूछना चाहता हूं कि जब एक तरफ से तो उन्होंने १० टाइम्स (गुना) देने को कहा है और दूसरी तरफ वर्कर्स के वास्ते थोड़ा सा बढ़ाने को कहा है, तो फिर इन दोनों में मुनासिबत कहां रह जाती है।

दोनों का उसूल एक ही होना चाहिये।

श्री साधन गुप्त : सर्वनाशे समुत्पन्ने अर्धम् त्यजति पंडितः।

पंडित ठाकुर दास भार्गव : इसका मतलब तो यह है कि जो पंडित अपने बेसिक (मूल) उसूलों को खुद रद्द करते हैं, they are not to be taken seriously, to say the least जो तजवीज उन्होंने खुद की, वह उन उसूलों के लिये फैटल (घातक) है। एक राय यह है कि साढ़े सात पर सेंट (प्रतिशत) दिया जाय। कल मैंने अर्ज किया था कि साढ़े पांच पर सेंट से सवा छः पर सेंट कर दिया जाय। तुलसीदास जी ने भी कहा था। आप फरमाते हैं कि इसे चार पर सेंट कर दिया जाय। आखिर इस के पीछे क्या रीजन (तर्क) है? मैं यह पूछना चाहता हूं कि चार पर सेंट रखने के लिये क्या रीज़न है? और एक पर सेंट से तीन पर सेंट करने के लिये क्या रीज़न है? मैं समझता हूं कि कोई रिज़न नहीं है, बल्कि वह आरबिटरेरी (मनमानी) है और सेन्स आफ जस्टिस (न्याय बुद्धि) पर अटैक (आघात) है। मैं अर्ज करना चाहता हूं कि इसके लिये हमारे सामने कोई भी वजह नहीं रखी गई है। इसको आरबिटरेरी ग्राउंड्स (आधार) पर कम किया जा रहा है। जो कुछ दिया गया है, वह इतना अनफेयर नहीं है कि लोग शिकायत करना शुरू कर दें, लेकिन अगर इस को सवा छः पर सेंट कर दिया जाता, तो ज्यादा मुनासिब होता। मेरी गुज़ारिश है कि अब भी इस सवाल को कनसिडर (विचार) किया जाय।

इसके अलावा उन कम्पनीज का सवाल है, जो कि डिस्प्लेस्ड (विस्थापित) हैं उनके लिये मैंने दो दफ़ा आप की खिदमत में अर्ज़ किया है कनसिडरेशन स्टेज (विचार अवस्था) पर भी और परसों भी। मुझे इस बात की खुशी है कि आपने मेहरबानी फरमा कर उनके केस को देखा और अमेंडमेंट २०९ पेश कर दी है।

उस अमेंडमेंट में चन्द उसूल बयान किये गये हैं, जिनके मुताल्लिक कुछ बहस करके मैं हाउस का वक्त नहीं ज़ाया करना चाहता हूं। वे उसूल आप ने सोच विचार कर लिखे हैं और वे बिल्कुल दुरुस्त हैं, लेकिन फिर भी उसके मुताल्लिक मेरा ज़रा सा एतराज़ है। उसमें लिखा हैं :

"or one-half of the paid-up capital of the displaced insurer, whichever is less."

मैं यह गुजारिश करना चाहता हूं कि इस हिस्से को निकाल दीजिये—वन-हाफ़ (आधा) को निकाल दीजिये। यह गैर जरूरी है। उसमें जो चार बातें लिखी गई हैं, वे बिल्कुल लाजिकल (तर्क संगत), मुनासिब और सर्कमस्टांसिज में काल्ड फ़ार (परिस्थितियों के अनुकूल) हैं। यहां पर विचएवर इज लैस (जो की कम हो) रखा गया है। उसको विचएवर इज़ मोर (जो की अधिक हो) कर दिया जाय। क्लास ए (वर्ग अ) को चायस (चुनाव) दिया गया है कि इनमें से जिसको चाहे पसन्द कर लो। बी क्लास़ वालों को यह चायस दिया जाना चाहिये। मेरे ख्याल में इस को रखने की ज़रूरत नहीं है। जो सेफगार्डज़ (परिमाण) होने चाहिये थे, पार्टीशन (विभाजन) में हुए नुकसान की वजह से जो कम्पेंसेशन दिया जाना चाहिये था, वह एक हाथ से आप देते हैं, लेकिन दूसरे हाथ से उसको वापिस क्यों लेते हैं? आप कमी क्यों करते हैं ?

अब मैं पार्ट ए के बारे में कुछ अर्ज करना चाहता हूं। अमेंडमेंट २०६ सिर्फ क्लाज बी को एप्लाई (लागू) करती है और क्लास ए का इसमें कोई जिक्र नहीं है। क्लास बी में वे कम्पनियां हैं, जिन्होंने अच्छा काम नहीं किया है। आप उनको जो देते हैं, वह मुनासिब है। वह आप पार्टीशन की वजह से उठाई गई तकलीफ के लिये देते हैं, जो कि नागहानी तौर पर उन पर आ पड़ीं। लेकिन आप क्लास ए और बी में तफ़रीक कर के एक को पीनलाइज़ (पंडित) क्यों करते हैं ? जिन्होंने एलाकेशन (बंटवारा) किया, काम बढ़ाया, बोनस दिया, उनके साथ दूसरा सलूक आप क्यों करते हैं? जिन्होंने अच्छा काम नहीं दिया, उनके साथ आप रियायत करना चाहते हैं। मेरी गुज़ारिश यह हैं कि आप क्लास ए और बी में तफ़रीक न करें। आपको चाहिये कि आप उनको यकसां बेसिस (आधार) पर रखें। आपने पैराग्राफ (कंडिक) ५ में जो चार रियायतें लिखी हैं—उनका कितना नुकसान हुआ, कितनी जायदाद रह गई और कितने हिस्से रह गये, वगैरह जो बातें लिखी हैं—उसमें क्लास ए को भी उतना ही फायदा दें। क्लास ए के लिये मेरी दो अमेंडमेंट्स हैं। आप मेहरबानी फरमा कर क्लास ए वालों के लिये यह रियायत कर दें कि उनके लास्ट वैल्युएशन (अन्तिम मूल्यांकन) का ख्याल रखा जायगा। मैं याद दिलाना चाहता हूं कि वहां पर दो वैल्युएशन्ज हुई थीं—एक १९५१-५२ में और दूसरी १९५३-५४ में। श्री तुलसीदास ने फरमाया था कि १९५५ का जो काम था, वह ध्यान में रखा जाना चाहिये था, लेकिन वह नहीं रखा गया। बेहतर यह होता कि उसकी बिना पर सब कुछ किया जाता, लेकिन वह नहीं किया गया। पंजाब की आठ कम्पनियों में से तीन कम्पनियां क्लास बी में आती हैं और पांच क्लास ए में आती हैं। क्लास बी की कम्पनियों को जो आप देना चाहते हैं, उस पर मुझे कोई ऐतराज नहीं है। आप उन को जो कुछ दें, वह खुशी से दें—कम न दें। लेकिन मेरी गुज़ारिश यह है कि क्लास ए की कम्पनियों को कोई रियायत नहीं दी गई है। जो कम्पनियां पंजाब में काम कर रही थीं, उनकी एक तरह से बड़ी दुर्गति हुई। वे १९४७ में बड़ी बड़ी जायदादें पीछे छोड़ आई। दो कम्पनियों ने, जो आदमी वहां मारे गये थे, उनके वारिसों को दस दस लाख रुपये अदा किये। यह एक बड़ा मेरिटोरियस (प्रशंसनीय) काम था। लक्ष्मी की ४२,५०,००० रुपये की जायदाद पाकिस्तान में रह गई। उनके मारगेजिज़ (बंधक) ५०,००० रुपये के थे। रावलपिंडी इलैक्ट्रिसिटी कम्पनी में उनके दस लाख रुपये के शेयर थे। सिलेक्ट कमेटी के सामने उन्होंने ८८,६०,००० रुपये का अपना क्लेम (दावा) दिया था, जो कि पार्टीशन में उठाये गये नुकसान के बारे में था। एक और कम्पनी के ३१,१०,००० रुपये थे और तीसरी कम्पनी के २,००,००० रुपये थे, जो कि इसकी ज़द में आती हैं। दोनों में से एक तजवीज़ को मान लिया जाय। या तो यह मान लीजिये कि रेलेवेंट एक्चूरियल इन्वेस्टीगेशन्ज़ (संगत जीवनांकिक जांच) का मतलब सिर्फ लास्ट वैल्युएशन होगा। अगर आप उनमें कोई तमीज़ नहीं रखना चाहते हैं, तो १९५१–५२ में हुई फर्स्ट वैल्युएशन को मान लीजिये, जो कि जस्ट आफ्टर (ठीक बाद) पार्टीशन हुई थी पर अमेंडमेंट २०९ में जो चार आइटम्ज (मदें) रखे गये हैं, उनकी रकम को आप फस्ट वैल्युएशन में शामिल कर लें, ताकि यहां की कम्पनियां और डिस्प्लेस्ड कम्पनियों में कोई तमीज़ बाकी न

[पंडित ठाकुरदास भार्गव]

रहे । फर्स्ट वैल्युएशन में उनको बड़ा नुकसान हुआ था । जो चार आइटम्स आप दूसरी कम्पनियों को देते हैं, वे उनको भी दे दें, ताकि फर्स्ट वैल्युएशन में हुआ उनका नुकसान पूरा हो जाय ।

जहां तक क्राइटेरियन (कसौटी) का ताल्लुक है, ओरियेंटल को हर एक हिस्से पर २०० रुपये के बजाय ४,४०० रुपये मिलेंगे मैंने परसों लक्ष्मी का जिक्र किया था । जिस वक्त ज्यादातर कम्पनीज़ फ़ारेनर्ज़ (विदेशियों) के हाथों में थी, उस वक्त १६२३–२४ में––जब कि हमारी नैशनल मूवमेंट (राष्ट्रीय आन्दोलन) बहुत ज़ोरों पर थी––पंडित मोतीलाल नेहरू ने इसको इनागोरेट (उद्घाटित) किया था और लाला लाजपत राय ने इसको वजूद में लाया था । इसको फारेन कम्पनीज के कम्पीटीशन (प्रतियोगिता) में काम करना पड़ा और इस ने निहायत शानदार काम किया। सारे देश में इसका तीसरा-चौथा नम्बर था । अगर वे खास वजूहात न होती, तो उस का मुआवजा भी और कम्पनियों के मुकाबले में पड़ता । जिन लोगों का इतना बिजिनेस था, अब आखिरी वक्त पर उनको इस तरह मुआवजा न दीजिये कि वे फ़ील करें । वे नशनल लीडर्स (राष्ट्रीय नेताओं) के हुक्म पर आखिरी वक्त तक वहां रहे, इसलिये उनका जो नुकसान हुआ, वह नैशनल नुकसान समझा जाना चाहिये । उसका लिहाज रखना चाहिये । इस बारे में कोई एक उसूल कबूल कीजिये ।

श्री कामत (होशंगाबाद) : पंडित मोतीलाल के बेटे के जमाने में यह हो रहा है ।

पंडित ठाकुर दास भार्गव : नहीं, मैं यह बात इस वजह से नहीं कहता हूं । लेकिन मैं यह अर्ज करना चाहता हूं कि इन कम्पनियों ने फारेन कम्पनियों के हाथों से बिजिनेस छीना और नेशनल पायंट आफ व्यू (राष्ट्रीय दृष्टिकोण) से बिज़िनेस किया, इसलिये वे ज्यादा मुस्हक हैं । मेरी गुजारिश यह है कि इसमें दो कम्पनियों के तरीकों में डिस्क्रिमिनेट (विवेक) न कीजिये । आप कहते हैं कि equality before the law, और यह भी कहते हैं कि रिच (अमीर) और पूअर (गरीब) बराबर हैं । इस हालत में जो रियायत आप दूसरी कम्पनियों को देते हैं, वही रियायत आप उन कम्पनियों को भी दीजिये, जिनकी जायदाद पाकिस्तान में रह गई और जिनका वहां बहुत नुकसान हुआ । उन सब के साथ एक ही सलूक कीजिये और सबको यकसां रियायत दीजिये ।

मेरी अदब से गुज़ारिश है कि इस में यह तरमीम की जाय और अमेंडमेंट २०६ पर यह तरमीम मंजूर फरमाई जाय ।

Shri S. V. Ramaswamy: I have moved amendment No. 207 to the First Schedule.

Some Hon. Members: We cannot hear the hon. Member.

Mr. Speaker: The hon. Member may speak a little louder. His voice seems to somewhat low. There is no use complaining either of the loudspeaker system or of the hearing power of the hon. Members.

Shri S. V. Ramaswamy: In fact, I had told the mike operator also.

Mr. Speaker: He need not quarrel with the mike system. Now and then he must look up also and speak a little louder.

Shri Nambiar: He has to go to the doctor also.

Mr. Speaker: Order, order. The hon. Member may speak a little louder.

Shri S. V. Ramaswamy: Medical or surgical?

Pandit Thakur Das Bhargava: You can engage a lawyer.

Shri S. V. Ramaswamy: The purpose of my amendment is very brief. All that I seek to do is to give a weightage in favour of companies which are young and new. This would smack of trying to introduce discrimination between company and company.

I am fortified, however, in my position, by the amendment tabled by the Minister himself, namely amendment No. 209, because the purpose of this amendment is decidedly in favour of a displaced insurer. Therefore, a distinction is now sought to be made between one type of insurer and another. I am only seeking to provide that this principle be extended in favour of small and new companies.

I may straightway say that I have no quarrel with Part A or Part B or Part C of the First Schedule. All that I seek to do is to introduce another part, namely Part D, in favour of the small and young companies. It is not as if my point of view is revolutionary.

If you will kindly look at section 40A of the Insurance Act, you will find that special weightage is sought to be given to new companies. I shall read only the relevant portion: That section reads with the limitation of expenditure on commission :

> "(1) No person shall pay or contract to pay to an insurance agent, and no insurance agent shall receive or contract to receive by way of commission or remuneration in any form in respect of any policy of life insurance issued in India by an Insurer after the 31st day of December 1950, and effected through an insurance agent, an amount exceeding—
>
> (c) in any other case, thirty-five per cent of the first year's premium, seven and a half per cent of the second and third year's renewal premium, and thereafter five per cent of each renewal premium, payable on the policy :
>
> Provided that in a case referred to in clause (c), an insurer, during the first ten years of his business, may pay to an insurance agent, and an insurance agent may receive from such an insurer, forty per cent of the first year's premium payable on the policy."

Similarly in sub-section (2), a differentiation is sought to be made in favour of young companies and growing companies, so that they might grow. In rule 17D of the Insurance Rules also, we find:

> "After the 31st day of December 1950, no insurer shall, in respect of the life insurance business transacted by him in India, spend as expenses of management in any calendar year an amount exceeding the aggregate sum of—
>
> (v) an amount computed on the basis of the percentages for the time being appropriate to the duration of the insurer's life insurance business specified in the following table, namely:—. . . ."

Then, there is a table giving the figures of percentages of premiums, received during the year, for the first four years, then from the fifth to the seventh years, and so on. Then, the different categories are mentioned. From this, it will be clear that the percentages of premiums received during the year are also differentiated.

I am seeking, on the basis of the Insurance Act, the Insurance Rules, and thirdly on the basis of the amendment moved by the Finance Minister himself to extend this differentiation in favour of the companies that have been recently formed.

The First Schedule has been divided into three parts, and these parts lay down a uniform rule applicable to all companies, irrespective of the fact whether they are old or whether they are big companies. But I find—I do not vouch for the figures, but a friend of mine who is doing some insurance business has worked out the figures—from the figures that by applying this flat rule, there will be grave disparity in the compensation that will have to be paid. In the case of the Orientals, the share capital is Rs. 6 lahks. They have been paying a dividend of 87 per cent, and yet I understand that on the basis of the First Schedule, they will get Rs. 1·50 crores. In the case of the Industrial Prudentials, the capital is only Rs. 2,19,000; they have been paying a dividend of 21 per cent, and they will get Rs. 1 crore. In the case of the United India, the capital is Rs. 1,60,000; they have been paying a dividend of 50 per cent; they will get Rs. 16 lakhs. The Vanguard Insurance Company have a capital of Rs. 3 lakhs; they have been paying only a dividend of 5 per cent, and they will get only Rs. 75,000.

My humble submission is that if you apply this rule flatly and uniformly, you will find that these disparities work out unjustly. Certain companies have also started with general business and ploughed back the profits into the life business. They have deferred present profits to future benefits. In their case, if you apply this flat rule, it will work very unjustly and inequitously.

[Shri S. V. Ramaswamy]

Therefore, I submit that a new category may be created. I need not labour on this, because the Finance Minister himself has accepted it, namely that this flat rule cannot be applied in the case of the displaced companies. I am only requesting that he may be pleased to extend this to companies which are new and young.

If he accepts the principle of it, the point would be whether it would be twenty years, or whether there should be a limitation of Rs. 3 crores set apart. If the Minister accepts it in principle the amount may be varied or the period may be varied, and I am quite willing to accept any amendment to that effect that he may suggest. But, I would request him to accept this principle, which is merely an extension of the principle which he has adumbrated in amendment No. 209.

Shri Nambiar: With regard to payment of compensation, I have got a very strong criticism to make. The principle that is followed by the Minister is that whatever compensation is to be paid is for the future earnings. It is said that the loss to the insurers will be very much, because Government have taken away the industry out of their hands, which they consider would give them a lot of profits in the future.

This principle cannot be accepted because in the insurance companies, the capital invested is very small, and the insurers with the help of such a small capital have come into possession of large sums of money and have been using it in as many ways as they could. They have earned a lot of profit through the subsidiaries as well.

In the background of this, it is unfair to say that they deserve more compensation. The common man cannot understand what exactly he has to pay compensation for. The policy of Government is this.

When capital is nationalised, when an industry is nationalised, the loser must be given compensation. I can understand that proposition. They should be compensated for whatever loss they suffer by way of the taking over of the capital or the advantages that they got. But this should not apply to the entire earnings. The State cannot compensate for that. If that principle was accepted, then no nationalisation would be possible. They may say that the industry is progressing and they have got a very bright future and, therefore, they must be compensated for whatever loss that they may sustain in the future, not only 20 times but even 200 times. The citizen cannot afford to pay that, especially in the case of an industry like insurance where the risk involved is so small.

I heard the evidence tendered by eminent men like Shri A. D. Shroff and Shri Lakshmipat Singhania and others who came to the Select Committee. They could not substantiate their claim, except by saying that they have built up a big industry and they are handing it over to the State; so the State must be generous and must give them something. They might have contributed to the building up of the industry. There is no dispute about it. But they have got the profit, they have got the lion's share already. How can they claim more for that? Today, the Government come with a promise that they are giving them fair compensation. According to the new formula of the Finance Minister, the rate of compensation has been increased. Let us see what the provision in this respect was in the Bill as it went to the Select Committee and what the provision now is as it has emerged from the Select Committee. On the pressure of big business, the Finance Minister has agreed to pay not less than Rs. 1 crore more compensation in the new provision. Today I think they have to pay more than Rs. 1 crore as a result of the agreement that they have reached due to the pressure of big business. There is no justification for this leniency, and then saying that we are giving fair compensation and it is not generous. I want to know what he means by generosity. How many crores more is he prepared to give if he wants to be generous? I cannot understand it. There is no meaning in giving more compensation to the industry where nothing is produced, for the common consumption of the people.

The citizen has got some money in his pocket. That small amount is invested; it is attracted and collected by the insurer. The insurer utilises and spends that money in all ways he likes. At least, a licence is given to him by the State to manipulate it in the way he likes. After these insurers have expropriated, after they have wasted, after they have swallowed, after everything is done, the State comes forward and says, 'Now is the time for nationalisation; but we must be fair to the persons who have so nicely built up the industry'. I cannot understand this sort of argument. If there was any reason for the improvement of the industry, the credit should go to the State because the State helped the whole community to improve. There was enough surplus in the pocket of the common citizen to invest in insurance. The mortality rate has improved, the living condition of the people has improved and the health of the citizen has improved. All these go to amass wealth in the pockets of a few capitalists who manage it in the name of insurance.

Therefore, here there is no question of unfairness. It is unfair to the State, it is unfair to the crores of the Indian people if these few people are paid in the name of compensation more money. I would request the hon. Minister to accept the original formula at least. Even that is too much. Shri Sadhan Gupta has said that we cannot pay anything more than 10 times. I would say, even that too is too much. But the hon. Minister allowed 20 times first. Now he says it must be multiplied by a ratio. The formula given is a very wonderful one. I am unable to understand what it means; I think others will also not be able to understand it. It says :

> "Twenty times the annual average of the share of the surplus allocated to shareholders as disclosed in the abstracts aforesaid in respect of the relevant actuarial investigations multiplied by a figure which represents the proportion that the average business in force during the calendar years 1950 to 1955 bears to the average business in force during the calendar years comprised in the period between the date as at which the actuarial investigation immediately preceding the earliest of the relevant actuarial investigations was made and the date as at which the last of such investigations was made."

This is such a complicated formula that I do not understand it. Not only the Tribunal, but even a Supreme Court Judge will be flabbergasted when he sees this ingenuity of the draftsman and of the Finance Minister.

I put a straight question to the Finance Minister how much would this amount to? He said it would be roughly Rs. 53 or 60 lakhs, and dealt with it in a casual way. I want a categorical answer now to the question; how much will this amount to? What is the difference between the amount due under the original formula and the amount due under the new formula? I am sure the Finance Minister cannot answer it definitely. He will say it may be Rs. 50 or Rs. 60 lakhs. We are not here to allow such things. I can understand it in the case of an industry in which the industrialists have created wealth for the nation, created anything for the nation; there you can be lavish.

Shri Asoka Mehta (Bhandara): Do not commit yourself.

Shri Nambiar: Let the proposal come and we will see about it later on.

These people have created nothing for the society. They cannot claim any real or reasonable compensation. Granting that the Government are wedded to a set of principles and policy—of course, the socialist pattern is a different thing—before the socialist pattern is reached, there is a process towards socialism. If that is so, the community cannot afford to increase the compensation. No guarantee can be given against the future earnings, in any industry, in any concern. Can the Finance Minister give such a guarantee? No, he cannot. That being so, how can he do it in the case of the nationalised insurance business?

Here we are dealing with the money of crores of people. We must be very careful. A change here and there may be made, but I think it will be too unfair if we allow this sort of attitude to prevail in respect of payment of compensation We cannot allow more compensation. I strongly oppose any such move and I support the amendments moved by Shri Sadhan Gupta as a compromise.

Shri U. M. Trivedi: When by the fourth amendment of the Constitution, article 31 was amended, we tried to put down in it a clause half-heartedly that we may give compensation, yet we may not fight about the adequacy of that compensation. It was lurking in our minds all along that we must pay compensation, and compensation, when we first framed the Constitution, meant only just compensation. The Australian Constitution provides that compensation must always be just. Our original Constitution also provided that compensation when paid must be just

[Shri. U. M. Trivedi]

We wanted to wriggle out of that position, and made this provision that although we might pay compensation, it need not be challenged in a court of law on the basis of its being inadequate.

Therefore, the Finance Minister appears to have acted in that spirit and has given us various formulae by which he wants to deprive people of their property; yet he wants to give something. He might have said, 'I do not want to give you anything; I might give you one rupee for the whole share.' He would pay some compensation. The question of adequacy does not arise. Yet, we must not forget the fact that when the Imperial Bank was taken over, we paid certain compensation.

We raised hopes in the minds of the people that whatever may be the provisions in the Constitution, it was not the desire of the State to deprive people of their property without compensation, and that compensation would be just and fair. That was the idea that was given to the public at large. The House appreciated it, although people like Shri Nambiar who always want to take away another man's money do not like the idea.

Shri Nambiar: I never plead for taking away another man's money.

Shri U. M. Trivedi: Still the whole community at large does not believe in expropriating another man's money or picking others' pockets. Therefore, I would say that compensation must be paid. We have to examine this provision for paying compensation in the light of what we have been doing so far. The compensation that has been calculated here seems to be due to the various factors that come into play in determining compensation being paid to the companies. Some have their shares soaring very high in the market; some have their shares at a very low level. Under those circumstances, perhaps the Government was not able to come to a proper evaluation of the compensation that could be paid....

Shri C. D. Deshmukh: Some are composite companies.

Shri U. M. Trivedi: I therefore feel that the formula provided by the Government was just and there could not have been anything better than that. It is true that it might hit some people, but at the same time, in order to arrive at a very fair and just formula which will satisfy one and all, this was the only thing which could be put down in the law. The indication, which was necessary as provided in article 31 of the Constitution, has been given and the manner in which the compensation is to be calculated has been given.

What surprises me most is the reference to clause 36 in the Third Schedule in regard to this compensation clause. Under clause 36, have we got a right to break a contract and pay a compensation as we like? Article 31 does not envisage any breach of contract. Clause 36 says that all contracts will stand cancelled. If we cancel a contract, the ordinary law is that we must pay damages for breaking it. Contract has not been treated as property under the Constitution. The Constitution itself has made a difference between property and contract. Articles 31 and 294 of the Constitution differentiate between property and contract. If a contract is to be broken, I should say that it is fair on our part that we should pay damages according to what the ordinary businessman would do. Those who have entered into contracts and entitled to receive the benefits thereof must not feel that their contracts are broken by Government and that Government is not going to pay them anything as compensation. This would be the utilisation of the police power vested in the Government. In my opinion, it is fit and proper that even if the contracts are broken, even if clause 36 states that they ought to stand terminated it is not possible to do away with the provisions of article 31, because once the Insurance Corporation Bill comes into existence, the contracts ought to cease to have effect and all rights accruing to the chief agent or the special agent under any such contract shall terminate on that day. Here the provision ought to have been that they shall continue to be governed by the contract which they have entered into with the companies. I see absolutely no justification whatsoever for making this provision in the Third Schedule that the compensation payable to a chief agent shall consist of 75 per cent. of the overriding commission specified in the contract relating to chief agency with the insurer on the renewal premiums received by the Corporation during a period of ten years from the appointed day. This is a method of calculating compensation. It is good as far as it goes, but my personal idea is that where it is a breach of contract, it must be governed by the ordinary law of the land. You are not acquiring a property compulsorily; it is not a property; it may be a property under other circumstances, and as a lawyer I would have to admit that it would become a property. But under article 31, as compared with article 294, contracts have been a different thing, and if a breach of contract has been committed, it must be governed by the ordinary law of the land and we must pay them compensation.

Shri N. C. Chatterjee: Comrade Nambiar has thundered quite a lot, and if the hon. Finance Minister, in a moment of weakness, listens to him....

Mr. Speaker: Is he (Shri Nambiar) in his seat to hear this?

Shri N. C. Chatterjee: Very possibly messages have come from some other place!

Pandit Thakur Das Bhargava: There is no moment of weakness with the Finance Minister.

Shri N. C. Chatterjee: He will be guilty of breach of pledge, and this Parliament will be stultifying itself and declaring that we are doing something grossly unjust and unfair.

Shri C. D. Deshmukh: I am bound to listen to all the speeches.

Shri N. C. Chatterjee: I meant if the Finance Minister responds to his appeal he will be guilty of breach of pledge.

When the hon. Finance Minister announced his policy of nationalising insurance companies, he declared that a fair compensation would be paid to the shareholders of nationalised life business. On that principle, nationalisation was accepted by this House and it would be a breach of pledge if a wanton violation of a solemn promise already given is allowed to take place and if we try to whittle down the little compensation that is given.

The first thing that I want to point out is that surplus occurs after a number of years of working of a company, and if there is any surplus, the shareholders are entitled to 7½ per cent and in fact,—I hope the information which I have got is correct—most of the companies do not have any surplus for the first ten or fifteen years of working. This is proved by the statement which I have got that out of 154 companies doing life business in India, only 52 have been declaring surpluses, and only 52 companies out of 154 will be entitled to compensation according to the First Schedule, paragraphs 1 and 2, and the remaining 102 companies, which have not declared any surpluses, ought to be treated otherwise and may be entitled to a very very small compensation.

I am not thoroughly agreeing with my friend, Shri Tulsidas, that the insurance chapter is a most glorious chapter in India's history, but there is some force in the point—through candour it should be admitted—that due to our backwardness, due to foreign domination, due to governmental policies, we could not make rapid strides in the insurance world until the year 1950 or thereabouts. Business really became stable only after the year 1950. If you look at the figures for 1950, the amount of new life business was Rs. 1,25,80,00,000 and in 1951, there was a jump to Rs. 131 crores—jump of 4·4 per cent; in 1952 it was also the same; in 1953, it went up to Rs. 1,38,20,00,000.

In 1954 there was a phenomenal increase of Rs. 2,13,13,00,000; almost 54 per cent increase. Therefore, these figures are telling and figures show that during 1954 new business insurance in India had increased by over 50 per cent. as compared with previous years. So, if a dispassionate view is taken, if our minds are not clouded by prejudice it can be confidently stated that this increase would have continued and at the end of five years, possibly, new business would have gone up to Rs. 400 crores if not more.

What I am pointing out is that the compensation as suggested in the Life Insurance Corporation Bill is not at all over-generous; on the other hand it is strict and may be unfair in some cases.

The existing Insurance Act, which was amended in the year 1950, has reduced the shareholders proportion of

[Shri N. C. Chatterjee]

valuation surplus to 7½ per cent. Therefore, I submit there is hardly any justification for Government now reducing the percentage to 5½ per cent. for determining compensation for future. If surplus is the basis of compensation, then it should not be less than 7½ per cent.

Then there are different methods of valuation. Shri Tulsidas made one point and I think there is a good deal of force in that. He pointed out that the life insurance business has been nationalised on 19th January, 1956 and asked, why then should the valuation year be taken, say, three years before. It should be at least based on 31st December, 1955 valuation as in the present circumstances. Before the 1950 Act came into operation, valuation period was generally quinquennial. In the 1950 Act it was made compulsory to have valuation for every three years. Suppose a company had made its valuation in 1953 and the previous valuation was made in 1950—that is for five years, 1946 to 1950 period—in that case the company's future is to be decided on the basis of surplus from 1946 to 1953. That is not fair, as, Sir, I have told you, during this later period there has been a progressive development of business and actually the insurance world has done better. Therefore, what I am pointing out is that there is a good deal of force in what he said.

I am also suggesting for the consideration of the hon. Minister that there should be a fresh valuation for every company on the 31st December, 1955 and on that basis you should formulate your scheme of compensation. That will be more fair and more reasonable.

My learned friend Shri U. M. Trivedi has pointed out that the Australian Constitution has got the expression "just compensation" and in the Indian Constitution we have got the word "compensation". The Supreme Court has pointed out, it does not matter whether the word is "compensation" or the words are "just compensation". They have said that the word "compensation" means the same thing. Chief Justice Shastri said that there cannot be any "unjust compensation"; if compensation does not compensate then it cannot be compensation at all. What I am pointing out is that the word "just" in that context is mere tautology. The question is whether what we are doing is anything over-generous, absurd or is it something fair or reasonable. The hon. Minister, if I have his words correct, said: "Both in respect of short period during which the management of the companies will vest in the Government and in respect of ultimate assumption of proprietorial right over them, reasonable compensation will be paid by Government." That is the formula which the Minister has accepted, to which the Cabinet is pledged and this Parliament also is pledged. Therefore, there should be a fair estimate not merely of what they are getting now, but of the future gains the shareholders would have made, had the business continued in the private sector. On that basis, I submit, the compensation should be formulated and, if that is the test, what has been done is not only not over-generous but below the line.

The suggestion made was that there should not be an artificial depletion of compensation by antidating the basic period to 1950, 1951 or 1952, but there should be a proper valuation made with regard to the basic year 1955, especially in view of the fact that there was a remarkable improvement. I am also pointing out that, in view of the Insurance Act of 1950 by which the valuation of life insurance business was required to be done once in three years, we should also formulate our compensation scheme like that. We should also see that there should be no unfair discrimination made between company and company. I am, therefore, suggesting that these people, most of whom belong to the poor middle class, should not be hard-hit and they should not be unfairly dealt with.

Shri Keshavaiengar: Sir, at the very outset....

Some Hon. Members *rose*—

Mr. Speaker: I cannot go on adding to the number. When we start the discussion I have an idea as to how many Members will speak and then I allocate time.

Shrimati Sushama Sen (Bhagalpur South): I just want to say a few words only.

Mr. Speaker: Why was the hon. Member not present earlier?

I will see what can be done.

Shri Keshavaiengar: Sir, at the very outset I would like emphatically to repudiate the baseless observation made by my friend opposite, Shri Nambiar, that the Government has submitted itself to the pressure of big business. It is certainly not so; otherwise this Bill would not have been before us today. I am not surprised at the principles propounded by him, coming from the Party he belongs to. Whatever it is, if you do not pay any compensation it would amount to a cultured, enlightened and constitutional day-light robbery and I would like that we should be fair, just and reasonable in whatever we do, even if it be our enemies.

With that background, Sir, I have moved a few amendments to the Third Schedule. I would like to say a few words regarding my amendment No. 210. I am not satisfied with the compensation that is allowed to this useful section of insurers, the chief agents, as it has now been provided in the Third Schedule. I would like to bring to the notice of this House that the main real income of this section of insurers is the commission they derive from fresh business they bring in every year. Every year they bring in new business. Nothing has been provided for the loss of that business and even for that portion of the loss that is incurred in the latest year of business that they have done. Even for the balance of business in respect of previous years I think they are legitimately entitled to some compensation. Apart from that, I have suggested in my amendment that we should also provide for them a lump sum amount of ten times the overriding commission on the fresh business brought in by the said chief agent in the year immediately preceding the appointed date. In my opinion that would be proper and just; that would be a reasonable compensation for these chief agents. Apart from that, in my amendment No. 210, I have suggested that we should pay a lump sum of seven times the overriding commission on renewal premiums. We have not been fair in dealing with this matter of compensation in respect of the various persons of sections of people involved in this Bill. I have been seeing that we are making absolutely unregardly and a sort of discriminatory treatment so far as this class of insurers are concerned. We are not respecting the terms of contract they have entered into with several companies. We are wiping them out of existence altogether. They are not in a position to do any more of business in that company. When that is the case and when we have been providing them with this small compensation, I would like to suggest that we should also provide them with another alternative. Why not give them an option of payment of a lump sum amount of seven times the overriding commission on renewal premiums in the year immediately previous to the appointed day? By this amendment I am seeking to introduce only a payment of a sum equal to the amount provided for under this Bill. It does not involve in any manner any additional financial commitment on the part of the Government. I am only suggesting this amendment with this idea in my mind, that those people who go out of employment altogether will be enabled to rehabilitate themselves if we make a sort of lump sum payment which is nothing else except a capitalisation of the amount afforded to them under this very Bill itself. That will be certainly, according to the statement made by the Minister, free from income-tax, and as such, it will certainly enable them to effectively rehabilitate themselves in other walks of life. It is a very reasonable request that I am making, and I hope my learned colleague, the hon. Minister, will accept it.

3 P.M.

I would like to suggest that in making this arrangement, it is not very improper that we shall be having an administrative convenience. In fact, as the Bill stands now, we are providing the payment of this compensation on a calculation made every year. On the other hand, if a lump sum amount is provided, we get rid of them once and for all. It is worthwhile, even in our own interest and even considering the administrative set-up, to provide them with the option and enable them to go out without any heartburning whatsoever.

The other amendment which I have suggested in this connection is a small one. I feel that instead of the payment being made annually, let us make it monthly, and it will facilitate them to have a sort of living even though they are knocked out of their business altogether by the enforcement of this Bill. I think that is not a matter which is so unacceptable to the Government.

[Shri Keshavaiengar]

That could be made very easily, without much difficulty, and I am sure my colleague will accept that amendment also. The amount may be paid monthly to him or to his heirs. Several of these people have been working on a partnership basis and as such it will obviate all difficulties on their part if the amount is paid to their nominees. With these few words, I commend my amendments to the acceptance of the House.

Mr. Speaker: We started this at 1-15. Two hours have been allotted to this item. I will call upon the hon. Minister now to reply. Of course, if any hon. Member wants to put any question now, I have no objection.

Shrimati Sushama Sen: I wanted to point out my amendment also, regarding 7½ per cent. compensation. I find that most of the Members are agreed on that amount of compensation. I appeal to the Finance Minister to consider that point.

Shri Matthen (Thiruvellah): I want to say a few words about the young companies, which are less than 20 years old. Shri N. C. Chatterjee said that it would take 15 years or so for a young company to come up to the yielding stage. At the time of yielding profits or good results, the Government nationalise the concerns. Of course, nobody has any quarrel with nationalisation. But what I say is, those young companies must be given a liberal valuation. I was very happy to note the amendment brought forward by the hon. Finance Minister today about the refugee companies. Such liberality, or at least such fairness should be shown to the companies which are just 15 to 20 years old.

Take, for instance, some of the plantations. They take some years to yield. At that time, you take them away. Companies who have been paying dividends of 80 per cent. are given very liberal compensation. That is very unfair. After all, there are so many companies which are very young. Therefore, I would appeal earnestly to the hon. Minister to consider the case of those young companies, which has also been referred to by Shri S. V. Ramaswamy. I therefore support the amendment of Shri S. V. Ramaswamy.

Shri C. D. Deshmukh: I shall first deal with amendment No. 13 to clause 16. The hon. Member, Shri Tulsidas, wants that in addition to the compensation payable, interest should be paid at the rate of 3½ per cent. for the period between 19th January, 1956 and the date of payment of compensation. We are ourselves most anxious that compensation should be settled and be paid as quickly as possible. Therefore, we do not anticipate any delay. In any case, there is no justification for the payment of interest for any period before the Bill becomes law. Unless, therefore, there is any apprehension—which to our mind does not exist—of payment of compensation being unduly delayed, we see no need for providing for the payment of interest also. That is all I have to say in regard to amendment No. 13.

Then, I come to amendment No. 204 to clause 36, which has been moved by Shri Sadhan Gupta. The difficulty which his amendment seeks to overcome arises out of the almost universal practice of companies accepting premia in half-yearly, quarterly or monthly instalments. The special agents get an overriding commission of 15 per cent.—under the Insurance Act—on the first year's premia received under policies booked through their agency, no renewal commission being payable. Naturally, the commission would be paid only on the instalments actually received from time to time. Suppose the policy was taken out on 1st May, 1956, the premia being payable quarterly, there would be no difficulty about the commission on the quarterly premia due on 1st May, 1956. But the hon. Member is not sure that the commission on the other three instalments of the first year's premia, namely, the instalments due on 1-8-1956, 1-11-1956 and 1-2-1957, would also be paid notwithstanding the appointed day intervening. Now, a reading out of the Schedule does not support this apprehension, but I can assure the hon. Member that it is the intention to pay an overriding commission on all the remaining instalments on the first year's premia. I think this assurance will be welcomed.

Shri Sadhan Gupta: My apprehension does not arise out of the Schedule, but from the clause itself. Clause 36 says as follows:

> "Notwithstanding anything contained in the Insurance Act or in

any other law for the time being in force, every contract appertaining to controlled business subsisting immediately before the appointed day—"

I omit the rest and proceed further—

"shall, as from the appointed day, cease to have effect and all rights accruing to the chief agent or the special agent under any such contract shall terminate on that day:".

So, all the rights including the right to take overriding commission will terminate on the appointed day. That is why I suggested that it might be safeguarded.

Shri C. D. Deshmukh: Our intention is not to regard this as an accrued right which should be terminated in connection with the series of payments due and the collection of the commission. As I said, this particular clause must be read with the Schedule. As we do not construe the Schedule in the way in which the hon. Member would construe it, I do not think there is any apprehension such as he entertains.

Now, I had better deal with the Third Schedule, because there are a number of amendments moved by Shri Keshavaiengar. There is first this amendment No. 31 saying that payment should be made monthly and it should be made over to the chief agent himself or his nominees. As regards monthly payments, even as it is, making up the accounts of all the 250 odd chief agents and keeping track of all the policies booked by them, would be a very difficult task.

Therefore, preparing monthly accounts in an obligatory way would, in our opinion, be an oppressive administrative burden. As regards payments to nominees, it is not necessary....

Shri Velayudhan: They were getting monthly before.

Shri C. D. Deshmukh: Each company kept its own accounts in regard to its agents. Now, the Corporation will have to do all that for all the agents.

Pandit Thakur Das Bhargava: Is it not a part of the agreement between the company and the chief agents that they will get payments as they fall due?

Shri C. D. Deshmukh: Now we are making a different provision.

Pandit Thakur Das Bhargava: Is it not tampering with the agreement?

Shri C. D. Deshmukh: It may be, but we are giving the reasons for it, namely, that it would be an intolerable administrative burden.

Shri Velayudhan (Quilon *cum* Mavelikkara—Reserved—Sch. Castes): Why not commute the whole thing and pay a lump sum?

Shri C. D. Deshmukh: That is a separate amendment: I am coming to that. I cannot carry on running debates. I shall, however, answer all these questions.

As regards payments to nominees, it is not necessary to go out of the way to cut across the normal provisions of the law. The chief agent should make his own arrangements for his nominee receiving the compensation in the same way as he would have done in the normal circumstances. I should like to add that in order to avoid any difficulties arising to the chief agents in a sort of ways and means sense, not in the legal sense, we shall be prepared to issue executive instructions that 'on account' payments are made and I think that ought to meet the object which the hon. Member has in view.

I come now to the question of lump sum payment which is the content of amendment No. 46. He wants that in addition to the compensation laid down the chief agents should be paid an amount equal to ten times the overriding first year's commission earned by him during one year immediately preceding the appointed day. He feels that the schedule provides for loss of renewal overriding commission on the existing business, but does not provide for loss of overriding first year's commission on the new business he might introduce in the future. Now there is of course no case for this. The entire first year's overriding commission is usually consumed in expenses. Then the compensation provided in the

[Shri C. D. Deshmukh]

schedule though expressed as percentage of the renewal overriding commission takes every aspect into account, including the average future duration of the existing contracts of chief agents.

Then, as regards commutation—that is slightly a separate point—that is the substance of his amendment No. 210. That provides that the chief agent will have the right, at his option, to commute the compensation which is now payable annually for a period of ten years and that the commuted amount shall be seven times the overriding commission earned by the chief agent in one year preceding the appointed day. As regards the first, that is to say, the option, it is in our opinion, incorrect to give option to only one of the two parties. This would result in what is known in actuarial parlance as adverse selection against the Corporation and as regards the second, that is to say, they shall be seven times the overriding commission, since compensation payable is 75 per cent of the overriding commission receivable, giving seven times the overriding commission means that we are commuting the annual instalments of compensation at nine and a half years' purchase. This is much too high,....

Shri Keshavaiengar: You can reduce the amount.

Shri C. D. Deshmukh: That is another matter; that is not the substance of the amendment. ....compensation instalments are receivable annually for ten years, and secondly—that is a very important reason—because the quantum of compensation will decrease rapidly owing to maturities, surrenders and lapses and thirdly due to the operation of the interest factor. I think the arrangement that we are suggesting will keep the chief agents alive to their residual responsibility at least to ensure that renewal permit come, because their commission will be dependent on the extent to which renewal takes place. That is the reason why I am unable to accept the amendments of my friend Shri Keshavaiengar.

Now I come to the main issues—there are two issues. I had before dealt with the displaced banks. One of the important points made by Pandit Thakur Das Bhargava was that displaced companies should get additional compensation as they lost properties in Pakistan. Now, if his argument is accepted, we would not know where to draw the line. There is the Oriental, for instance, which also lost properties although it was not a displaced insurer. But it also had properties in Pakistan. And we could not very well discriminate between the Oriental and some of the others merely because the others happened to have their headquarters in Pakistan. It must be remembered that the formula that we have evolved is out of a desire to make some *ex gratia* payment in recognition of the very special and unique difficulties of the banks which would fall under part 2. Part A companies get compensation on the basis of their past allocations to the shareholders, but Part B companies get only assets minus liabilities. The latter also, therefore, under our scheme will get additional *ex gratia* compensation.

Then he has tabled various amendments. We are going by two valuations in all cases because two valuations give a truer picture of the position than one. There are reasons to believe that many companies had in their anxiety to do well in the bonus competition which started about 1953 did not adopt a conservative policy in their latest valuation. Therefore, we think that going upon the latest valuation might be unsafe. Then there is amendment No. 215. Now, he says if you are giving anything at all, then why limit it? My answer is that what we are giving is an *ex gratia* additional compensation, that is to say, we penalise ourselves to the extent of 50 per cent. for what could be regarded as an act of God. We recognise that the company should not be held responsible for the entire loss; nor is there any reason why the community should be held responsible for the entire loss. Therefore, we feel that we have found a golden mean between the two and that is why we have put out this formula and limited it to half. That is perhaps amendment No. 216; the other one was 215. It must be emphasised again that it is *ex gratia* and that the Corporation has no legal obligation to pay this additional compensation. From what I have been able to ascertain, I think the displaced insurance companies concerned which are coming under Part B will have reason to be satisfied at the treatment that is being meted out to them.

Pandit Thakur Das Bhargava: The community is responsible for the partition also.

Shri C. D. Deshmukh: In his amendment No. 217, the Member wants to change the word to 'more'. Suppose the losses in Pakistan were only one rupee, or a small or insignificant sum, according to this amendment, the additional compensation might come to several lakhs. Therefore, I do not think it would be proper to make the change suggested by the hon. Member. As regards displaced banks, I say that I feel confident that the arrangement we are suggesting will be regarded as fair and reasonable.

That brings me to the main issue of compensation. Here, as usual, various views have been expressed which, to a certain extent, neutralise each other. Shri Nambiar has been joyously incoherent and unconvincing in regard to the schemes he has advanced and his friend Shri Sadhan Gupta was, as usual, impressively dialectical. On the other hand, Shri U. M. Trivedi, who is not here, was also dialectical. The rest of the hon. Members have shed light on various problems which are relevant to this question of compensation, which I do not regard as a very simple one. I should say right from the beginning that we have to decide this matter in the light of a philosophy and an attitude towards life. Hon. Members made reference to the Constitutional amendment. I had many previous opportunities of expressing my belief, which is in agreement with that adumbrated by the Member opposite, that when we give compensation, we should try to give compensation. I cannot think of compensation and then work, backwards to a sum which is consciously inadequate because of the Constitutional amendment. I for one personally cannot swallow it. I deprecate the tendency first to think in terms of compensation and then to try to work out various ways in which it could be reduced. I can at least plead that hon. Members may not be able to agree with me that I have taken a valid view of every aspect of the matter. But, I can certainly plead that I make the best endeavour to arrive at a fair settlement.

One hon. Member, I think Pandit Thakur Das Bhargava, said that the use of the word fair, generous, adequate and inadequate, is all irrelevant because you are concerned with *quid pro quo*. That, I realise. On the other hand, it is usual to describe one's view of this total effort in some language. The only language that occurs to one is this: fair, just, reasonable or whatever word appeals to one. I am inclined to use the word fair more than anything else. But, if hon. Members like, they can use the word reasonable. I think, it comes to pretty much the same thing. Considered from that point of view, I am reinforced by what I have heard in my view that on, the whole, we are trying to give compensation and we are not trying to practise a fraud on the law.

That brings me to the theories because, as I said, this is a matter of philosophies. Certainly we have made a provision in the Constitution that the parties will not be able to go to court merely because compensation is inadequate.

Hon. Members who are familiar with the history of the matter and the rulings that led to it will know that there is many a way of looking at this compensation. Take the case of present profits and future profits, potential value of property and present value of property. Here is a matter in which even the highest authorities may take different views. The result of their taking different views is that some people regard the compensation that is offered or given as inadequate. It was for that reason, I think, that the House specifically provided that merely on this issue, it would not be a justifiable matter. Nevertheless, *a fortiori*, for all the more reason, a duty rests on the House to try and include compensation as fairly as they can. This is the theory that I entertain and I have worked out this compensation on this philosophy.

It remains to deal with one particular philosophy urged by Shri Sadhan Gupta. He was hurt that whereas when workers retire, they are given a different kind of compensation, may be sometimes 3½ months' pay or 3½ years pay—he quoted various instances—here we are giving something which is 20 times. The fact is that, if a worker retires, he retires and his capacity to work no longer exists what he has got is not compensation; it is gratuity. It is not as if you are saying to a worker as Delilah said to Samson, I am taking all your strength and therefore I owe you compensation. We do not take away anything from the worker.

Shri Sadhan Gupta: When he is killed in the course of employment by doing a hazardous job for you, what then?

Shri C. D. Deshmukh: To the extent to which his earning power is reduced, we work out compensation. To what extent a person has lost his capacity to work, is not a matter which is amenable to a simple formula. What we are dealing with is value of property. What you are taking over is property of somebody and there are reasonable and commonsense rules for welding that.

Shri Sadhan Gupta: Capitalistic commonsense.

Shri C. D. Deshmukh: Whether one calls it capital or principal and interest, these are matters of theories. The fact is that you are taking some money constructively. You are not taking some money, but taking some money constructively. That sum of money being put out for interest, we have to calculate what is the return which he is getting on that sum of money. Then, we go round the other way. We find out what return he has been getting and then calculating backwards find what the value of the property should be. It is a very straight forward way of dealing with this question.

Shri Nambiar must have very very fundamental ideas about what money is. Because, he said that these insurance companies produce nothing. He can only think of compensation in terms of acquisition of industrial property. I think, apart from being invalid, this is a very dangerous mode of thinking. Because, he will now suggest that the Corporation which is taking over the business of insurance must not make any money, must not keep any surplus, must distribute everything to the policy-holders because the Corporation is producing nothing.

Shri Nambiar: It does not produce any commodity which is necessary. It is only collecting the money of the people.

Shri C. D. Deshmukh: This is not intended to produce any commodity. We are at variance on the fundamentals of this issue. He does not understand what social purpose insurance serves in this world. I think we should not be guided even in our weak moments by theories put out like this, that is to say, false analogies, what workers or what money produces, what industrial capital produces and so on, but bend our mind to find out what exactly is the value of the property that we are taking over. Nobody is denying that we are taking over something.

The next question is, how this property has been built up. Hon. Members have referred to some small capital with which people started. That is true enough. But, as I pointed out the other day, that is true of all sums of money. If one put out Rs. 100 for interest 50 years ago, would hon. Members argue that when we take that over, we must pay only Rs. 100 because the man has been thrifty enough to put back his interest into that money? That is to say, is he a conscientious objector to compound interest?

In essence that is what it appears to be. Here on an analysis what one finds is with that little capital one gathers a band of experts and invites other people to place contracts of insurance with that syndicate or company, whatever it may be. And the essence of the contract is that for the major part these moneys will be handled for the benefit of the policy-holders. That finds its reflection in the bonuses and premia rates and various other terms and conditions of the policies. There is a balance left which was at one time ten per cent. Then it was reduced to 7½ per cent. then practically many companies have been giving four and five per cent. and so on and so forth. It is that which we are trying to calculate. It is reflected, perhaps, in the difference between the assets and liabilities. It may be reflected, in the case of pure life insurance companies, in their share value, but there is no uniform way of calculating all this, and that is why we have had these somewhat unintelligible categories, the Schedules and the various sections of the Schedules, paragraphs 1, 2, Part A, Part B and so on and so forth, but all these represent an honest attempt to find really what the value of the property is and I am quite convinced that we are fair and reasonable, in other words, we are not unfair to the community, neither are we consciously unfair to the shareholders.

Many hon. Members have said that some companies have been giving larger surpluses, some companies are young and they have not yet had time to accumulate surpluses or to build up a position which would yield surpluses. These are factors which it is not possible to deal with. After all, nationalisation comes in any year and since new companies are being started, it will never happen that you will not have a young or new company on your hand. It is just too bad for that company that the whole business is being nationalised. I am not, therefore, impressed by the argument of my friend behind, Shri Ramaswamy, and I do not consider that there is any case for discriminating between company and company.

Shri S. V. Ramaswamy: Will the hon. Minister think of *ex gratia* payment on the lines of compensation to these refugee companies?

Shri C. D. Deshmukh: That is implied in my statement that I am not prepared to do that.

Shri N. C. Chatterjee: He has spoiled the case!

Shri C. D. Deshmukh: I say that rehabilitation of displaced persons is an entirely new problem. On the other hand, varying compensation according to the age of companies, according to their capital, according to the region in which they are operated and so on and so forth, all these lead you into dangerous directions of discrimination.

I shall not go into the details of what he has suggested, except to say that I think he has been given some wrong information in regard to the compensation likely to be payable to certain companies. He has impressed me with the dispatch with which he turned over page after page and quoted the figures of compensation that will be payable. Industrial Prudential, he says, will get compensation of rupees one crore. According to our calculation, they are likely to get only Rs. 14 lakhs. Similarly, the Vanguard, which is a composite company, he says, will get—how much?

Shri S. V. Ramaswamy: Rs. 75,000.

Shri C. D. Deshmukh: Am I wrong then in regard to Industrial Prudential?

Shri S. V. Ramaswamy: The capital of Industrial Prudential is Rs. 2.19 crores and the compensation would be Rs. 1 crore.

Shri C. D. Deshmukh: I am right there at any rate.

Shri S. V. Ramaswamy: I submit the correctness of the figures....

Shri C. D. Deshmukh: I am only doing the necessary correction. I am not doing anything else.

One last point and that is in regard to future business. Certain hon. Members opposite have said that we are trying to take into account the future potentialities of profit-earning of these companies. That is not so. I admit that the formula that we have evolved is a very complicated one, but the general effect of it is to take account of the expansion of business up to December, 1955, that is to say, that is a factor by which the compensation calculated otherwise on the two previous valuations will be increased. We thought that at least was fair. In other words, we pay them after taking into account the latest results, although we do not take into account only the latest results. I think that is fair both to the community as well as to the companies.

One last thing and that is a bit of information. Hon. Members wanted to know what the total compensation is likely to be. For all companies, Parts A, B and C included, it will be Rs. 450 lakhs in round figures and it is true that the addition that we are making in consideration of the latest state of business will be Rs. 53.2 lakhs. Then the transfer of some companies from Part B to Part A will cost us Rs. 1 lakh and the increase in the matter of deemed allocation from 3 to 3½ per cent will cost us Rs. 9 lakhs and I think these displaced companies may cost us. as I said, a figure under Rs. 10 lakhs, may be about half. So I think the House will not be far out if it assumes that the total compensation will be round about Rs. 450 lakhs.

I, therefore, oppose all the amendments that have been moved except the one that I have moved myself.

Shri Tulsidas: May I ask for the hon. Minister's reaction to the amendment which I have proposed to clause 16 regarding the question of the rate of interest?

Shri N. C. Chatterjee: He has answered that.

Mr. Speaker: He has dealt with it. He has not accepted it.

The question is:

Page 27—
after line 26 *add :*

"*Paragraph* 5.—If the insurer to whom compensation is to be given under this Part is a displaced insurer, the compensation to be given shall be computed in accordance with the following provisions:

Firstly, there shall be ascertained the losses incurred by the displaced insurer in respect of claims arising by deaths established by the displaced insurer to have been caused by the civil disturbances which took place on the occasion of the setting up of the Dominions of India and Pakistan, the total loss being taken as the difference between the amounts paid as claims in respect of such deaths and the total amount of the actuarial reserve in respect of the relevant policies;

Secondly, there shall be ascertained the difference between the market value as at the 15th day of August, 1947, of any immovable property in West Pakistan belonging to the displaced insurer and the market value thereof determined under *Paragraph* 3 of this Part, or where any such immovable property has been sold before the 19th day of January, 1956, the difference between the market value thereof as at the 15th day of August, 1947, and the sale price;

Thirdly, there shall be ascertained the amount of deposits held by the displaced insurer in banks which could not be withdrawn on account of a moratorium declared under any law for the time being in force, to the extent to which such deposits have become losses;

Fourthly there shall be ascertained the difference between the market value as at the 15th day of August, 1947, of any shares in any company now carrying on business in West Pakistan held by the displaced insurer and which had been acquired before the 15th day of August, 1947, and the market value of such shares as at the 19th day of January, 1956.

The amount of compensation to be given to the displaced insurer under this Part shall be—

(a) the amount which would have to be given to him if this Paragraph had not been enacted, *plus*.

(b) an amount which represents one half of the difference between the compensation which would have to be given to him if to the value of the assets referred to in *Paragraph 3* there had been added the sum of the four items referred to in this Paragraph and with respect to the liabilities referred to in Paragraph (4), the life insurance fund had been increased by a like sum, and the compensation which would have to be given to him if this Paragraph had not been enacted

or

one half of the paid-up capital of the displaced insurer whichever is less.

Explanation.—For the purposes of this Paragraph 'displaced insurer' means an insurance company whose registered office during any part of the year 1947 was in any area now forming part of West Pakistan and whose registered office is now in India."

The motion was adopted.

Mr. Speaker: The question is:

Page 24—

after line 2, *add :*

"Provided that in the case of displaced insurers relevant actuarial investigations shall mean the last valuation only."

The motion was negatived.

Mr. Speaker: The question is:

Page 24—

after line 2, *add :*

"Provided that in the case of displaced insurers half of the sum resulting from the addition of the four items given in paragraph 5 shall be added to the first of the two relevant actuarial investigations mentioned in the Explanation."

The motion was negatived.

Mr. Speaker: The question is:

That in the amendment proposed by Shri C. D. Deshmukh—

before the Explanation, *omit*:

"or

one half of the paid-up capital of the displaced insurer whichever is less."

The motion was negatived.

Mr. Speaker: The question is:

That in the amendment proposed by Shri C. D. Deshmukh—

in part (b), *for* "less" *substitute* "more".

The motion was negatived.

Mr. Speaker: The question is:

Page 23—

for lines 14 to 23, *substitute :*

"*Paragraph* 1.—Twenty times the annual average of the share of the surplus allocated to shareholders as disclosed in the abstracts aforesaid in respect of the last actuarial investigation multiplied by a figure which represents the proportion that the business in force during the calendar year 1955 bears to the average business in force during the calendar years comprised in the period for which the last actuarial investigation was made."

The motion was negatived.

Mr. Speaker: The question is:

Page 23, line 18—

for "1950" *substitute* "1953".

The motion was negatived.

Mr. Speaker: The question is:

Pages 23 and 24—

omit lines 32 to 37 and 1 and 2.

respectively.

The motion was negatived.

Mr. Speaker: The question is:

Page 24, lines 7 to 10—

omit "where an insurer has allocated to shareholders more than 5 per cent. of any such surplus as is referred to therein, the insurer shall be deemed to have allocated only 5 per cent. of the surplus and."

The motion was negatived.

Mr. Speaker: The question is:

Page 24, line 8—

for "5 per cent." *substitute*

"6¼ per cent."

The motion was negatived.

Mr. Speaker: The question is:

Page 24, line 11—

for "allocated any such surplus to shareholders" *substitute :*

"allocated to shareholders any such surplus as is referred to therein."

The motion was negatived.

Mr. Speaker: The question is:

Page 12—

for lines 1 to 8 *substitute*:

"(2) The amount of the compensation to be given under subsection (1) above, shall, in the first instance, be determined by the Corporation in accordance with the aforesaid principles, and if the amount so determined is approved by the Central Government, it shall be paid to the insurer without prejudice to his rights under sub-section (3) below, with interest at three and a half per cent. from the 19th January, 1956, till the date of payment; and that such payment shall be made before the 31st December, 1956.

(3) If such payment is not acceptable to the insurer in full satisfaction of the compensation payable to him under this Act, he may within such time as may be prescribed for the purpose have the matter referred to the Tribunal for decision; and where the Tribunal orders to be paid to the

[Mr. Speaker]

insurer any sum in addition to the principal sum paid to him under sub-section (2) above, such sum shall be paid within one month of the date of the order of the Tribunal, together with interest on it at three and a half per cent. from the 19th January, 1956 till the date of payment."

The motion was negatived.

Mr. Speaker: The question is:

Pages 23 to 26—

for Part A *substitute :*

"Part A

The compensation to be given by the Corporation to an insurer having a share capital on which dividend or bonus is payable, who has allocated as bonus to policyholders the whole or any part of the surplus as disclosed in the abstracts prepared in accordance with Part II of the fourth Schedule to the Insurance Act in respect of the last actuarial investigation relating to his controlled business as at a date earlier than the 1st day of January, 1955, shall be ten times the share of the surplus to disclosed which was allocated to share-holders.

Explanation 1.—Where no share of the surplus so disclosed was allocated to share-holders or where the share allocated was below 3½ per cent. the share allocated shall be deemed to be 3½ per cent.

Explanation 2.—An Insurer incorporated outside India shall be deemed to have allocated to shareholders the same percentage of the surplus as disclosed in the abstracts prepared in accordance with Part II of the Fourth Schedule to the Insurance Act in respect of the last actuarial investigation as at a date earlier than the 1st day of January, 1955, as the percentage of the surplus in respect of the world business of the insurer as ascertained with reference to the last actuarial investigation relating to such business as at a date earlier than the 1st day of January, 1955, which is allocated to share-holders, such percentage being computed subject to the provisions of Explanation I and any amount in excess of 7½ per cent. being ignored:

Provided that in the case of any such insurer in respect of whom an order has been made under section 35 the amount computed as follows shall be deemed to be the surplus—

(a) there shall be deducted from the surplus as disclosed in the abstracts aforesaid, interest at 3½ per cent. per annum for one year calculated on the assets specified in any order made under sub-section (2) of section 35;

(b) with respect to the balance arrived at under clause (a), there shall be computed an amount that bears the same proportion to the said balance as the liability on policies appertaining to the controlled business of the insurer, other than those expressed in any foreign currency issued on the lives of persons who are not citizens of India, bears to the liability in respect of all policies appertaining to such business, the liabilities on policies being computed as at the 31st day of December, 1955, in accordance with the provisions contained in clause (b) of the Second Schedule:

Provided further that—

(a) in any case where the order made under section 35 is with reference to sub-section (2) only, the preceding proviso shall have effect as if clause (b) had been omitted therefrom; and

(b) in any case where the order made under section 35 is with reference to sub-section (3) only, the preceding proviso shall have effect as if—

(i) clause (a) had been omitted;

(ii) in clause (b), the words, brackets and letter "with respect to the balance arrived at under clause (a)" had been omitted; for the words "the said balance" the words "the surplus" had been substituted; and for the words, brackets and letter "with the provision of clause (b) of", the words and letter "with method A specified in" had been substituted.

Explanation 3.—Where an insurer is an insurer incorporated outside India whose paid-up capital is outside India, the provision contained in this part shall have effect as if a sum equal to that part of the paid-up capital of the insurer as determined by the Central Government to be allocated to the controlled business of the insurer had been deducted from the surplus of the share which is allocated or deemed to have been allocated in accordance with the provisions of this part."

The motion was negatived.

Mr. Speaker: The question is:

Page 23—

for lines 5 to 30 *substitute :*

"The compensation to be given by the Corporation to an insurer having a share capital on which dividend or bonus is payable, who has allocated as bonus to policyholders the whole or any part of the surplus as disclosed in the abstracts prepared in accordance with Part II of the Fourth Schedule to the Insurance Act in respect of the last actuarial investigation relating to his controlled business as at a date earlier than the 1st day of January, 1955, shall be ten times the annual average of the share of the surplus allocated to shareholders as disclosed in the abstracts aforesaid in respect of the relevant actuarial investigations multiplied by a figure which represents the proportion that the average business in force during the calendar year 1950 to 1955 bears to the average business in force during the calendar years comprised in the period between the date as at which the actuarial investigation immediately preceding the earliest of the relevant actuarial investigations was made and the date as at which the last of such investigations was made."

The motion was negatived.

Mr. Speaker: The question is:

Page 23, line 13—

omit "or paragraph 2, whichever is more advantageous to the insurer."

The motion was negatived.

Mr. Speaker: The question is:

Page 23, line 14—

for "Twenty times" *substitute* "Ten times,"

The motion was negatived.

Mr. Speaker: The question is:

Page 23, lines 16 to 23—

omit "multiplied by a figure which represents the proportion that the average business in force during the calendar year 1950 to 1955 bears to the average business in force during the calendar years comprised in the period between the date as at which the actuarial investigation immediately preceding the earliest of the relevant actuarial investigations was made and the date as at which the last of such investigations was made."

The motion was negatived.

Mr. Speaker: The question is:

Page 24—

omit lines 3 to 6.

The motion was negatived.

Mr. Speaker: The question is:

Page 23—

omit lines 24 to 30.

The motion was negatived.

Mr. Speaker: The question is:

Page 23, line 31—

for "paragraph 1" *substitute* "this part".

The motion was negatived.

Mr. Speaker: The question is:

Page 24, line 4—

for "(including any bonus)" *substitute* "(excluding all bonuses)".

The motion was negatived.

Mr. Speaker: The question is:

Page 24, line 7—

for "paragraph 1" *substitute* "this part".

The motion was negatived.

Mr. Speaker: The question is:

Page 24—

(i) line 8,—

for "5 per cent." *substitute*

"4 per cent."

(ii) line 10,—

for "5 per cent." *substitute*—.

"4 per cent."

The motion was negatived.

Mr. Speaker: The question is:

Page 24—

(i) line 12—

for "3½ per cent" *substitute* "3 per cent."

(ii) line 13,—

for "3½ per cent" *substitute* "3 per cent."

The motion was negatived.

Mr. Speaker: The question is:

Page 24, line 17—

for "paragraph 1" *substitute* "this part".

The motion was negatived.

Mr. Speaker: The question is:

Page 25, line 31—

for "paragraph 1" *substitute* "this part."

The motion was negatived.

Mr. Speaker: The question is:

Page 25, line 35—

for "were inserted at the end of that paragraph and" *substitute*

"were inserted before explanation 1 of this part and immediately after the words" and the date as at which the last of such investigations was made'."

The motion was negatived.

Mr. Speaker: The question is:

Page 25 and 26—

omit lines 36 to 39 and 1 to 5 respectively.

The motion was negatived.

Mr. Speaker: The question is:

Page 18—

after line 3, *add* :

"Provided further that nothing contained in this section shall affect the right of any special agent to any overriding commission in respect of business procured by him through insurance agents till immediately before the appointed day, if and when the payment of the annual premium in respect of such business is completed."

The motion was negatived.

Mr. Speaker: The question is:

Page 30—

after line 10, *add :*

"Provided that the chief agent shall have the option of payment of a lump sum amount of seven times the overriding commission on renewal premiums earned by him in the year immediately previous to the appointed day."

The motion was negatived.

Mr. Speaker: The question is:

Page 30, line 10—

for "annually" *substitute :*

"to him or his nominees monthly."

The motion was negatived.

Mr. Speaker: The question is:

Page 30, line 10—

add at the end:

"and also a lump sum amount comprising of ten times the overriding commission on the fresh business introduced by the said chief agent in one year immediately preceding the appointed day."

The motion was negatived.

Mr. Speaker: The question is:

Page 27—

after line 36 *add*:

"PART D

The compensation to be given by the Corporation to an insurer of less than twenty years' standing or having only a business or less than three crores shall be—

(1) Twenty times the annual average of the share of the surplus of 7½ per cent. allocated to the shareholders in their latest valuation; or

(2) on the basis of treating their business as on 19th January, 1956 as a closed business by taking over enough assets to meet the policy-holder's liability by an actuarial valuation, the principle of which is to be determined by the corporation and accepted by the company and leaving the balance of the assets, if any, with the company for the benefit of the shareholders, whichever is more advantageous to the insurer."

The motion was negatived.

Mr. Speaker: The question is:

"That clauses 16, 35 and 36, the First Schedule as amended, the Second Schedule and the Third Schedule stand part of the Bill."

The motion was adopted.

Clauses 16, 35, 36, the First Schedule as amended, the Second Schedule and the Third Schedule were added to the Bill.

Clauses 5 to 10, 13 to 15, 17, 18, 20, 21, 23, 24, 26 to 34, 37 to 42, 44 to 49 and clause 1.

Mr. Speaker: The House will now take up clauses 5 to 10, 13, 15, 17, 18, 20, 21, 23, 24, 26 to 34, 37 to 42, 44 to 49 and clause 1. We must close this at 4-30. If hon. Members will take half an hour for this I will give half an hour for the third reading.

EXPUNCTION OF CERTAIN PROCEEDINGS

Mr. Speaker: Before I proceed further I would like to announce to the House that this morning after I gave my ruling and disallowed the adjournment motion, Shri Mukerjee made certain observations both against the Chair and against the ruling. I take very strong exception to those observations. They are very objectionable. I have, therefore, ordered expunction of his observations commencing from "I rise to a point of order" to the end before "I am proceeding to the next item of business."

Shri Nambiar (Mayuram): While he made that observation he had also referred to the point that as Members of this House we have got a right to move adjournment motions and when adjournment motions are moved it should not be treated as if we are moving them to create some sort of misunderstanding in the country etc. That also was not proper.

Mr. Speaker: But hon. Members will try to restrain themselves. They may have a right to say what they have a right to say. But after I give a ruling, it is not right that they should take exception in the manner in which the hon. Member has said. That is not right.

LIFE INSURANCE CORPORATION BILL—*contd.*

Mr. Speaker: So, these are the clauses that will be taken up now.

Hon. Members who want to move amendments to these clauses may kindly indicate the numbers of their amendments.

Shri Seshagiri Rao (Nandyal): I want to move amendments Nos. 54, 64 and 65.

Shri M. C. Shah: We shall accept amendment No. 71 by Shri Sadhan Gupta to clause 6.

Shri Sadhan Gupta: I want to move the following amendments:

Clause 6 Amendments Nos. 67, 68, 69, 70, 71, 72 and 73.

Clause 8 Amendments Nos. 152, 154 and 155.

Clause 10.

Mr. Speaker: I believe the hon. Member has got a number of amendments. He may kindly pass on the numbers to the Table.

Shri Tulsidas: I want to move amendments Nos. 4 and 7 to clause 6, amendment No. 8 to clause 8, amendment No. 16 to clause 21, and amendments Nos. 23 and 24 to clause 28.

Pandit C. N. Malviya (Raisen): I want to move amendment No. 205 to clause 40.

Shri Barman (North-Bengal Reserved Sch. Castes): I would like to move amendment No. 193 to clause 15.

Shri C. R. Iyyunni (Trichur): I want to move amendments Nos. 57 to 62, inclusive of everything in between, to clause 15.

Shri M. C. Shah: We shall accept amendment No. 71 to clause 6, and amendment No. 119 to clause 10.

Mr. Speaker: Now, Shri Tulsidas.

Shri U. M. Trivedi: I want to speak on clause 15.

Mr. Speaker: I shall call the hon. Member later.

Clause 6

Shri Tulsidas: I beg to move:

(i) Page 4, line 24—

add at the end :

"without in any way whatsoever undermining the policyholders' interests, which should be regarded as supreme."

(ii) Page 5—

after line 17, *insert :*

"(2A) The Corporation shall expeditiously transfer any other business, where such other business was being carried on by a subsidiary of an insurer whose controlled business has been transferred to and vested in the Corporation under this Act, to such insurer and failing such insurer, to any other suitable party."

Shri Sadhan Gupta: I beg to move:

(i) Page 4, line 24—

add at the end:

"and in particular that it is extended to the rural areas and to cover industrial workers and other low income groups so far as practicable."

(ii) Page 4—

for lines 31 to 37 *substitute :*

"(b) to invest the funds of the Corporation in any Government securities or approved securities;"

(iii) Page 4, line 33—

after "Corporation" *insert :*

"after consultation with the Ministry of Planning of the Central Government."

(iv) Page 5, line 4—

after "lend money" *insert* "to policyholders of the Corporation."

(v) Page 5, line 5—

add at the end:

"or otherwise."

(vi) Page 5, line 8—

after "to" *insert* "take over and"

(vii) Page 5, line 11—

add at the end:

"or where such other business was being carried on by any composite insurer, the business of whose subsidiary is transferred to and vested in the Corporation or where such other business is being carried on by a composite insurer whose affairs were being managed on the appointed day by an administrator appointed under section 52A of the Insurance Act."

(viii) Page 5, line 8—

after "to carry on" *insert*:

"either by itself or through any subsidiary."

Clause 8.

Shri Tulsidas: I beg to move:

Page 6—

(i) line 22—

omit "and in case of"; and

(ii) lines 23 and 24—

for "the decision of the Central Government" *substitute* "shall be referred to the Tribunal whose decision".

Shri Sadhan Gupta: I beg to move:

(i) Page 6, lines 23 and 24—

for "the decision of the Central Government thereon shall be final *substitute* "such dispute shall, on application by any party thereto or by any person who has a substantial interest therein, be decided by a tribunal and the moneys and assets shall be apportioned accordingly."

(ii) Page 6—

after line 29, *insert :*

"(3A) Each such trust shall be so constituted that the number of trustees representing the beneficiaries of the Trust is not less than half of the total number of trustees.

(3B) The trustee or trustees representing the beneficiaries shall either be elected by the beneficiaries from amongst themselves or nominated from amongst the beneficiaries by the Trade Union if any, or the Federation of Trade Unions if any, of the employees of the Corporation or of a substantial portion of them or by an organisation to which such Trade Union or Federation is affiliated."

(iii) Page 6, line 34—

add at the end:

"and as respects the moneys and assets received by the trustees on apportionment under sub-section (2)."

Clause 10

Shri Sadhan Gupta: I beg to move:

Page 8, line 17—

for "Act" *substitute* "section"

(ii) Page 8, line 19—

after "shall be subject to" *insert*— "amendment or"

Clause 15

Shri C. R. Iyyunni: I beg to move:

(i) Page 11, line 3—

for "five years" *substitute* "three years."

(ii) Page 11, line 16—

for "an inadequate" *substitute* "a grossly inadequate."

Shri Sadhan Gupta: I beg to move:

(1) Page 11—

(i) line 1—

after "Where" *insert* "it appears to the Corporation that";

(ii) line 18—

after "was not" *insert* "in the opinion of the Corporation"; and

(iii) line 19—

for "or was" *substitute* "or appears to the Corporation to have been."

(2) Page 11, line 22—

for "any other person interested" *substitute :*

"any person who has a substantial interest in the payment, disposal, acquisition, agreement or variation thereof or other transaction or transfer."

(3) Page 11—

(i) line 23—

for "such transaction' *substitute* "thereof"; and

(ii) line 24—

for "to the transaction" *substitute* "thereto"

(4) Page 11, line 26—

after "The Tribunal" *insert :*

"after satisfying itself about the correctness or otherwise of the opinion of the Corporation."

(5) Page 11, line 26—

after "such order" *insert :*

"or declaration or both."

(6) Page 11, line 26—

after "such order" *insert* "in favour of or."

(7) Page 11, line 28—

for "for the transaction" *substitute :*

"in respect of the payment, disposal, acquisition, agreement or variation thereof or other transaction or transfer, as the case may be."

Shri Barman: I beg to move:

Page 11, line 22—

omit "or any other person interested."

Clause 17

Shri Sadhan Gupta: I beg to move:

(i) Page 12, line 30—

for "in the event of" *substitute :*

"on the ground of discovery of new and important matter or evidence which, after the exercise of due diligence, was not within the knowledge of or could not be produced by the party applying for review of such decision or on the ground of"

[Shri Sadhan Gupta]

(ii) Page 12, line 31—

for "or correct" *substitute* "of may correct."

Clause 18

Shri Sadhan Gupta: I beg to move:

Page 13, line 6—

after "Zonal Manager" *insert:*

"after consultation with the Board constituted under sub-section (2) of section 22."

Clause 21

Shri Tulsidas: I beg to move:

(i) Page 13, line 34—

add at the end "and all such directions shall be published in the annual report of the Corporation."

Shri Sadhan Gupta: I beg to move:

(i) Page 13—

after line 34, *add:*

"(2) The Central Government shall, as soon as may be, after the issue of any such direction, cause the same to be laid before both Houses of Parliament unless in the opinion of the Central Government, it is not expedient in the public interests so to do."

(ii) Page 13—

after line 34, *add*:

"(2) The Central Government shall, as soon as may be, after the issue of any such direction, cause the same to be laid before both Houses of Parliament."

Clause 23

Shri Sadhan Gupta: I beg to move:

Page 14—

after line 22, *add:*

"Provided that no person who is a workman under the Industrial Disputes Act, 1947 (14 of 1947), shall be transferred except with his consent or, where he is transferred to any place in the same zone, except on payment of compensatory allowance for any loss that he may incur by reason of the transfer:

Provided further that the person employed for the procuration of business shall not ordinarily be transferred from any place where he was employed on the appointed day or where he was first employed by the Corporation."

Clause 28

Shri Tulsidas: I beg to move:

(i) Page 15—

for clause 28 *substitute:*

"28. If as a result of any investigation undertaken by the Corporation under section 26 any surplus emerges, dividend shall be paid out of such surplus to the Central Government at 3½ per cent on the capital provided by it to the Corporation under Section 5 of this Act, and the remainder shall be allocated to or reserved for the policyholders of the Corporation."

(ii) Page 15, line 13—

for "65 per cent" *substitute* "97½ per cent."

Clause 29

Shri Sadhan Gupta: I beg to move:

Page 15, line 18—

for "the auditors" *substitute* "the Comptroller and Auditor General"

Clause 37

Shri Sadhan Gupta: I beg to move:

Page 18, lines 5 and 6—

omit "subject to the provisions contained in section 14."

Clause 40

Pandit C. N. Malviya: I beg to move:

Page 18, line 38—

for "one year" *substitute* "two years"

Clause 44

Shri Sadhan Gupta: I beg to move:

(i) Page 20—

after line 13 *add:*

"Provided that nothwithstanding anything contained in the section, if any composite insurer specified in clause (c), retrenches any employee who is a workman under the Industrial Disputes Act, 1947 (14 of 1947) after the 19th day of January, 1956, such employee shall become an employee of the Corporation as from the appointed day or the date of retrenchment, whichever is later; and where no specific provision has been made in this section, section 11 shall apply to such employee as if—

(a) the controlled business of such composite insurer has been transferred to and vested in the Corporation;

(b) for references to the appointed day, reference to the date of retrenchment of such employee had been substituted;

(c) for the words and sign "if this Act had not been passed" the words and sign "if he had not been retrenched" had been substituted; and

(d) for the proviso to sub-section (1), the following proviso had been substituted;

'Provided that nothing contained in this sub-section shall apply to any such employee who has not by notice in writing given to the Corporation before the expiry of one month from the appointed day or from the date of his retrenchment whichever is later, communicated his intention of becoming an employee of the Corporation."

Clause 45

Shri Sadhan Gupta: I beg to move:

Page 20—

after line 23 *add:*

"(2) All employees of a composite insurer, the assets and liabilities appertaining to the controlled business of whom has been transferred to the Corporation under this section, shall become employees of the Corporation as from the date on which the transfer of assets and liabilities is completed and where no specific provision has been made in this section, section 11 shall apply to such employees as if—

(a) the controlled business of such composite insurer has been transferred to and vested in the Corporation;

(b) all references to the appointed day were references to the date on which the transfer of the assets and liabilities under clause (a) of sub-section (1) is completed; and

(c) for the words and sign "if this Act had not been passed," the words and sign "if the assets and liabilities had not been transferred as required by clause (a) of sub-section (1) of section 45" had been substituted."

Clause 48

Shri Sadhan Gupta: I beg to move:

Page 21, line 26—

after "shall be subject" *insert* "to annulment or".

Clause 49

Shri Sadhan Gupta: I beg to move:

Page 22—

after line 29 *add:*

"(3) All regulations made under this Act shall be laid for not less than thirty days before both Houses of Parliament as soon as may be after they are made, and shall be subject to annulment or to such modifications as Parliament may make during the session in which they are so laid or the session immediately following."

Clause 15

Shri C. R. Iyyunni: I beg to move:

(i) Page 11, line 6—

for "an inadequate" *substitute* "very inadequate."

(ii) Page 11, line 7—

for "an excessive" *substitute* "a grossly excessive."

(iii) Page 11, line 12—

for "as to cause a loss to, or impose a liability on" *substitute* "as to cause a serious loss to, or impose a grave liability on."

[Shri C. R. Iyyunni]

(iv) Page 11, line 13—

for "exceeding any benefit accruing to the insurer" *substitute* "without justifiable grounds."

Mr. Speaker: These amendments are before the House.

Shri Tulsidas: Amendment No. 4 to clause 6 is very simple. As you are aware, the Select Committee have added the words 'of the community' after the words 'to the best advantage.' By my amendment, I seek to provide:

Page 4, line 24, *add* at the end:

> "without in any way whatsoever undermining the policyholders' interests, which should be regarded as supreme."

Life insurance is being nationalised and this corporation is being created for the purpose of safeguarding the interests of the policyholders. But unless the confidence is created amongst the policyholders that such a thing is being done, the object of this corporation will not have been fulfilled. So, the corporation must function to the best advantage not merely of the community, but also of the policyholders, keeping in view the interests of the policyholders as more supreme. That is why I want to add the words:

> "without in any way whatsoever undermining the policyholders' interests, which should be regarded as supreme."

after the words 'to the best advantage of the community'.

My next amendment, namely amendment No. 7 is with regard to the subsidiary companies of the general insurance business. As soon as the corporation takes over the general insurance business, the subsidiaries should be handed over to the companies to whom they belong or to any other party who comes forward to take them over.

[MR. DEPUTY-SPEAKER *in the Chair*]

The Finance Minister the other day had referred to my speech at the consideration stage wherein I had thrown a challenge to the public sector; and I had said that the public sector and the private sector should function side by side, and it would be found that the public sector would not be able to stand on a par with and compete with the private sector. I am not thereby saying that I have any apprehensions if these subsidiaries are kept as subsidiaries of the corporation. But my only point in moving this amendment is this.

Even in the case of life insurance business, the Select Committee has found that it would be difficult for the companies to carry on life insurance business outside the country, because the other countries do not like any nationalised companies to function there. So, if these companies cannot operate as a nationalised industry in life insurance business, then their position will become very difficult in the other countries. In general business particularly, the international business is much more than the internal business. Therefore, I feel that it would be better to keep these companies as subsidiary companies of this corporation.

There is another difficulty also. Once they start carrying on this business as they do today, as part of a nationalised concern, the interests of the policyholders are also bound to suffer; because a large amount of money will be blocked in these companies, and they will not be able to function in the foreign markets, it will be difficult for them to carry on this business without any return. In that way, the policyholders' interests are also bound to suffer.

To that extent, I feel that it is better that these companies are not carried on as subsidiaries of this company. So, I have suggested that these companies may be handed over.

The other day, my hon. friend had raised the question whether these subsidiary companies will function under the company law, and whether their accountability will be according to the company law, that is to say, within the jurisdiction of the Comptroller and Auditor-General. But here so far as the corporation is concerned, it is not within the control of the Comptroller and Auditor-General. That is another complication.

I now come to my amendment No. 8 to clause 8. This clause provides that in the case of a dispute regarding division of provident fund and other funds, the decision of the Central Government shall be final. My amendment seeks to provide that the matter should be referred to the tribunal and the tribunal's decision should be final. The corporation's entire capital will be provided by Government, and all its members will be appointed by Government. Therefore, it being obvious that the Central Government would in fact be themselves a party to the disputes and also be acting as a judge, it will create an invidious situation, which it should be possible to avoid.

I have already provided for a tribunal to decide on certain matters. I say further that the tribunal will be independent, and have on it persons knowing the law, who will be judicial in their outlook. There is no reason why the matter referred to in this clause should not be referred to the tribunal. Not only will this ensure justice but it will also make it obvious that justice is being done. I would therefore urge that a provision should be made to the effect that any matters which are in dispute under this clause should be referred to one of the tribunals. In other words, the question of the provident fund of the employees of these companies which are being taken over and so on should be referred to the tribunal for a decision and not to Government.

Then I have got an amendment to clause 21, namely amendment No. 16. I do not think it will be necessary to explain this amendment, because it is self-explanatory. It is likely that Government will issue directions to the corporation in regard to policyholders, premium rates, investments and so on. What I am seeking to provide by this amendment is that all these directions must be incorporated in the annual report of the corporation, in order that this House may have a clear idea of the relationship that would exist between the corporation and Government.

The Minister has already conceded that the House will get opportunities to discuss the affairs of the corporation, particularly when the annual report is placed on the Table of the House. In view of this, I need hardly emphasise that the publication of the directives given by Government to the corporation in the annual report of the corporation will materially help this House in getting a comprehensive picture of the relationship between Government and the corporation.

There is one more amendment I have moved, and that is to clause 28. Rather, there are two amendments, but they are alternative amendments. In this clause, it is proposed that five per cent. of the surplus will be taken over by the corporation.

One amendment, No. 24, is in respect of the percentage. I want it to be raised to 97½ per cent. This is for the benefit of policyholders. The argument would be advanced that Government are now floating this Corporation with a paid up capital of Rs. 5 crores. I can appreciate that naturally when so much amount is involved, the Corporation must give a certain dividend to the Government. Normally, when a nationalised concern gives a loan to any corporation, it charges about 3½ per cent. interest. I suggest that you allow only 3½ per cent. dividend to be given over to the Government from this Corporation, the balance remaining to be given for the benefit of policyholders or accept the other suggestion I have made. In mutualised companies, the entire surplus goes to policyholders. When it is nationalised, the Corporation intends to give 5 per cent. of the surplus to the Government. This is rather unfair.

Therefore, I suggest that you accept either my amendment No. 23 or my amendment No. 24. I feel that this is necessary in order to make insurance popular. In case this suggestion is accepted, the premium rates as well as bonus will be better than what they were in the non-nationalised sector. In the interest of making insurance popular, either of these amendments should be accepted.

Shri Sadhan Gupta: I have got a number of amendments. I shall deal with them as I proceed.

The first thing is under clause 6. I want to draw the Finance Minister's attention to amendment No. 187. While speaking on clause 2, I pointed out the difficulty which was created by subclause (g) of clause 6, by which the Corporation was enabled to carry on the business which was being carried on by the subsidiary. Now, that clause, as it stands, would imply that the Corporation had to carry out the business itself and the subsidiary would not exist. The Finance Minister says that it is his intention that the business

[Shri Sadhan Gupta]

should be carried on through the subsidiary. Therefore, by amendment No. 187, I have sought to make provision that the Corporation should be able to carry on the business either through any subsidiary or by itself, and I think that is an amendment which should be incorporated in the Bill so that there should be no difficulty in managing the general business and the policyholders of subsidiaries would not be left in doubt as to where to go in respect of their policies.

Then I have some difference with Shri Tulsidas in regard to the business of the Corporation. This is as regards amendment No. 67. I would seek to extend the directive given to the Corporation by incorporating that the business should be conducted to the best advantage of the community, and in particular, to extend insurance facilities to rural areas, to industrial workers and other low-income groups. When we nationalised these insurance concerns, it was the desire of all sections of the House that insurance should be extended to rural areas which were practically left uncovered by the insurers who are functioning today. That is why I want to incorporate a specific directive. There is no danger to policyholders as Shri Tulsidas would make it out to be, because after all, to conduct insurance business to the best advantage of the community is to extend insurance facilities to them, and the facilities which are to be extended must not be such as would make the Corporation bankrupt, because then the community would have no insurance facilities at all.

Therefore, it goes without saying that the best advantage of the community necessarily means the best advantage of the policyholders also, and the aim is to make the whole community—as many members of the community as are eligible—policyholders of the insurers, and to extend it to the rural areas. It may be said that if we extend it to rural areas, there may be all sorts of difficulties. I recognise those difficulties. That is why I have added the words 'so far as practicable'. I think if those words are there it would be a salutary directive to the Corporation, and the Corporation's attention would be focussed at extending insurance to the rural areas. Otherwise the attention may not be focussed, one of the aims of nationalisation was that insurance may not be extended to rural areas or to low income groups like industrial workers.

Amendment No. 71 has been accepted. I do not say anything on that. Regarding clause 6, I do not want to speak on any other amendment.

Regarding clause 8, there are certain important matters. The amendments moved by me deal firstly with apportionment of sums and the representation of employees on trustee boards. The appointment of sums concerns the employees also. It may be a very complicated matter. Therefore, I support Shri Tulsidas in his suggestion that it should be decided by the Tribunal. I have moved amendment No. 152 for that purpose.

By amendment No. 154, I have sought to provide for representation of employees on the trustee board to the extent of at least half. Whatever objections may have been urged against representation of employees on the board of management, it is indisputable that in provident fund or in any fund in respect of superannuated employees, the employees are the most interested party and they should be allowed to participate in the board of trustees to the extent of at least half the number.

My amendment No. 155 is extremely important. As the clause stands at present, when trust money is apportioned between the insurer and the Corporation, some part of that money will be given back to the insurer to be used obviously in respect of employees who do not become employees of the Corporation. But as the clause stands now, sub-clause (4) reads:

> "Where all the moneys and other assets belonging to an existing trust are transferred to and vested in the Corporation under this section, the trustees of such trust, shall as from the appointed day, be discharged from the trust, except as respects things done or omitted to be done before the appointed day."

The entire money is vested in the Corporation in the first instance. So as soon as there is vesting, the trustee is discharged of that trust. Then when the money comes back to the trustee after the apportionment, there is no trust obligation on him and he can do anything with it. This should not happen. Therefore, I have suggested amendment No. 155.

"*Add* at the end of clause 8—

> and as respects the moneys and assets received by the trustees on apportionment under sub-section (2)."

4 P.M.

That is to say, when the money is given back to the trustee after apportionment, he should be released from the obligations imposed by the trust in respect of that money.

The next thing is about amendment 119 to clause 10. I think this is accepted and I need hardly say much on this.

By amendment No. 120, I seek to give Parliament the right to annul the rules made. The Finance Minister stated that this right is implied. I am not very much convinced by his argument.

The next clause is clause 15 to which I have moved an amendment suggesting certain drafting changes which are conformable to common sense. Under clause 15, the Corporation has the right to apply for certain reliefs and what is provided is that the tribunal is empowered to give the reliefs against the party, may be an order against the party. This is illogical. What should be provided for is that the Corporation should be of opinion that certain kinds of transactions have taken place, the tribunal should examine the correctness of the opinion and it should be empowered to make an order not only against the party but also in favour of the party. To say that it can make an order only against the party is absolutely being inconsistent. Therefore, I have sought to introduce amendments Nos. 80, 81, 82 and 83. Particularly I would draw the Finance Minister's attention to amendment No. 85, by which I have sought to enable the tribunal to make orders in favour of the party and to amendment No. 84, by which I have also sought to vest the tribunal with the power to make declarations and order.

Regarding amendment No. 81, I have tried to meet the dissenting minute of Shri Barman which says that if this right is given to the Corporation, it may lead to harassment. The Finance Minister thought that it might lead to harassment, but the Select Committee thought it proper to add the words "any other person interested." What we should add is—

> "any person who has a substantial interest in the payment, disposal, acquisition, agreement or variation thereof or other transaction or transfer."

Mr. Deputy-Speaker: We have to finish by 4-30 p. m.

Shri Nambiar: But we started this group at 3-40 p. m. and I remember an hour and a half is allotted for this.

Mr. Deputy-Speaker: That was what I could gather from the announcement of the Speaker.

Shri Sadhan Gupta: To clause 17, I have moved an amendment by which I want to give the tribunal a wider power of review. Under the Civil Procedure Code, a civil court can review not only to correct clerical errors or mistakes apparent on the face of the record, but also when fresh and important matter of evidence is discovered. It is only fair to grant that power of review, because in this case, there is no appeal. Under the Civil Procedure Code, in spite of appeals, when fresh and important matter is discovered which has not been discovered after the exercise of diligence, the right of discretion is granted to make a review of its judgment. The same thing I seek to do by amendment No. 87.

I am not speaking on the amendment to clause 18.

Regarding clause 21 I would prefer that the directions given by the Central Government should be laid before both Houses of Parliament. If the Central Government is not prepared to agree to that amendment, that is No. 92, then I would suggest that my amendment No. 91 be accepted as it will give the Central Government discretion to withhold directions which they think inexpedient to lay before the House in the public interest.

Then I have an important amendment to clause 23 by which what I seek to do is that when a workman is

[Shri Sadhan Gupta]

transferred, he should not be transferred outside the zone without his consent, and if he is transferred from one place to another, which is inside the zone, then he should be given a compensatory allowance for the loss that may be suffered by him. Nowadays it is very difficult to get accommodation, and I think it is but just that when a person is transferred, a poor employee like a clerk or a subordinate staff is transferred, he should be given some compensation in view of the loss he may suffer.

I have amendment No. 105 to clause 28, by which I seek to provide that 2½ per cent. of the valuation surplus shall be utilised for giving valuation or other bonuses to the employees. It may be contended that Government employees cannot claim bonuses, but this is a profit-making concern and it has been held by industrial tribunals that when there is profit and when wages fall short of living wages, bonuses are obligatory on the employer.

On clauses 44 and 45, there are two very important amendments to which I would draw the Finance Minister's attention. Under clause 44, the business of composite insurers who are under the administration of Administrators has been exempted from being taken over by the Corporation. As a result of this, the composite insurers will be practically dead, because although they will have control over life business, no one is going to book business after the Corporation comes into being. Therefore, large-scale retrenchment would be effected by composite insurers. By amendment No. 127 I suggest that if retrenchments are made by composite insurers, while they are under the management of the Administrator, then those employees should be absorbed by the Corporation from the date of their retrenchment or from the appointed day whichever is later. If retrenchment is made after the 19th January, 1956, those employees should be absorbed.

In clause 45, I seek to provide that when the composite insurers' assets and liabilities have been transferred to the Corporation, the employees of the composite insurers should also be absorbed by the Corporation. These two amendments are extremely necessary because you are depriving the employees of the composite insurers of getting employment under the Corporation by an amendment made by the Select Committee, and secondly, you are depriving them for eternity of claiming the right to be employed even after the composite insurer has transferred his life sector to the Corporation.

By my amendment No. 107 to clause 48, I am trying to give Parliament the power to annul the rules made under this section.

Then, by my amendment to clause 49, I am seeking to give Parliament the control over the regulation-making power. The regulation-making power is not an ordinary thing. I could have made a long speech on it, but I have no time. There are many things; for example, the form in which a policy can be issued, which connotes prescribing of policy conditions and so forth. All that may be determined by regulations. It is very necessary that Parliament should have control over matters which affect such a numerous section of the community. Therefore, like the rules, regulations should also be laid before the House and should be subject to annulment or modification by the House.

Shri Seshagiri Rao: I have given notice of amendments numbers 54, 64 and 65; 64 seeks to change the form and the other two relate to principle. Sir, if you refer to clause 10(3) and clause 48(3) you find that the same wording has been repeated. Therefore, my amendment seeks to delete these two. Clause 10(3) says:

> "All rules made under this Act shall be laid for not less than thirty days before both Houses of Parliament as soon as possible after they are made, and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following."

The same think has been repeated in clause 48(3) also. Therefore I want that these should be deleted and put in one place to avoid redundancy.

My next amendment relates to policy and principle. The report on subordinate legislation has stated emphatically that all the rules must be laid before the House for not less than 30 days. Subordinate legislation can be divided into two groups: one is the group of statutory rules and the other group is rules or regulations. Now, under clause 49 there are regulations which are not to be placed before this House. I can only say that all regulations must be placed before the House. Sir, I am reading from the judgment of Lord Shaw in *R. V. Halliday :*

> "The form in modern times of using the Privy Council as the executive channel for statutory power is measured and must be measured strictly by the ambit of the legislative pronouncement. The author of the power is Parliament; the wielder of it is the Government. Whether the Government has exceeded its statutory mandate is a question of *ultra* or *intra vires* such as that which is now being tried. In so far as the mandate has been exceeded there lurk the elements of a transition to arbitrary government and therein of grave constitutional and public danger. The increasing rush of legislative efforts and the convenience to the executive of a refuge to the device of orders in council would increase that danger tenfold were the judiciary to approach any such action of the Government in a spirit of compliance rather than of independent scrutiny."

Sir, our late Speaker addressed the members of the Committee on Subordinate Legislation and asked them to see that they take action to get rid of this new and impending official despotism. That is why I congratulate the Committee for having produced a report wherein they have said that all rules and regulations must be placed before this House.

The judgment further says:

> "Parliament could scarcely have gone further when it gave an administrative officer power to make orders to do any other thing which appeared to him necessary or expedient for bringing the said provisions into operation; and any such order might modify the provisions of the Act so far as might appear to the Minister necessary or expedient for carrying the order into effect. Such an order became operative as soon as made, and could only be annulled if either House presented an address to His Majesty with that intention within twenty-eight days after the order was laid before it."

This is another case. Now as soon as the regulation is passed or rules are made, they become operative. There is no test or even a safeguard provided for it. I want to avoid by my amendment, the regulations, rules or subordinate legislation from being not safeguarded.

Now I want to point out how it can be safeguarded. In the United Kingdom they have prescribed five tests and I submit only one and with that I close. The test is this:

> "The limits within which the delegated power is to be exercised ought to be laid down definitely. Regulations made in pursuance of a power of delegated legislation must face the possibility of being held *ultra vires* by the Courts if not within the statutory limits. If there is uncertainty about the prescribed limits, the validity of the regulations is made all the more nebulous."

So, I want that the power should at least be limited and the rules and regulations should be placed before the House; otherwise the regulations may be so inadequate or so unjust that no remedy is possible under this Act. That is the one thing which I want to avoid.

Mr. Deputy-Speaker: Shri U. M. Trivedi, I will request the hon. Member to conclude his remarks in two minutes.

Shri U. M. Trivedi: Sir, I will confine myself in accordance with your directions.

Mr. Deputy-Speaker: I want to apply guillotine just now, because everything must be finished by 4-30.

Shri M. C. Shah: Sir, before that I have to move a Government amendment.

Mr. Deputy-Speaker: We will come to that later.

Shri Nambiar: How can guillotine come, Sir? According to the time-table given already, we must have 1½ hours for the clauses which are under discussion and after that there is one hour for Third Reading.

Mr. Deputy-Speaker: If we take longer hours for other clauses, there is an overall limit also.

Shri Nambiar: Even then, guillotine cannot come at 4-30 Sir.

Mr. Deputy-Speaker: I can assure the hon. Member that we have even exceeded the time-limit.

Shri U. M. Trivedi: Sir, I wish to draw the pertinent attention of the House to the provisions in clause 15. In my opinion it is a most mischievous provision that we have ever made in this House. It sets at naught several principles of civil rights that are created from time to time between contracting parties and it goes to a great extent creating trouble backwards to five years. We have got the limitation law under which a particular action can be taken only upto a particular period and other actions are barred after the passing of that time. Here we are saying that if anything has been 'sold or disposed of without consideration or for an inadequate consideration' then some thing will happen. These are all relative terms. "Adequate compensation," "inadequate compensation," "adequate consideration", "inadequate consideration"—these are all relative terms. What would appear adequate today may not appear adequate tomorrow or hereafter. Similarly, "acquired any property or rights for an excessive consideration" is also an expression in relative terms. Therefore, everybody who have at any time dealt with any insurance company whatsoever will have always the sword of Damocles hanging upon their heads from the 19th January till the period is over. From 19 January, 1956 to 1961, till that period is passed, all these difficulties will arise.

Therefore, my suggestion was, if the clause is so worded as to deal only with fraudulent transfers, transfers with a desire to defeat the claims of somebody or the other, then the time-limit ought not to have been five years and it ought to be only two years as has been in case of Presidency Insolvency Act or Provincial Insolvency Act or other Acts. We can even rule out or avoid such transactions. If it is a question of malfeasance or misfeasance on the part of a particular insurance company, in such cases we can only go back upto two years. My point is that this will unnecessarily create trouble for all and sundry. We do not know what will be the ultimate implications of this provision.

Shri Iyyunni has made a suggestion in his amendment that it should be three years. I suggest that instead of three years it should be reduced to two years.

I want to say a word about Shri Sadhan Gupta's amendment No. 85 to clause 15. He ridiculed the idea of using the order against any of the parties. He says that this has no sense in it and therefore he wants to change the wording to: "such order in favour of or." I should say that he has not read the clause properly, because here there is no question of making any order in favour of anybody. It is always in favour of the Corporation and it shall be always against some of the parties. It can only be against those parties that such an order will be made. Therefore, the language that has been used in the Bill is proper.

Shri C. R. Iyyunni: Mr. Deputy-Speaker, my amendments are Nos. 57 to 62, both inclusive. They relate to clause 15. That clause relates to relief to be given by the corporation or to be sought by the corporation in respect of persons who have had something to do with the control that has been taken over now by the Government. The period fixed here is five years. Shri U. M. Trivedi said that even in the Insurance Act, the period is only two years. I have gone further and said that the period should be three years. But what is it that is being done? For every transaction, sale, disposal, acquisition or agreement, they view those things with an eye of suspicion. If it is to the extent of five years, then certainly, I would say that that is not quite proper.

Secondly, with regard to the expression, "inadequate", you will find that in almost all other Acts, the general expression would be, "grossly inadequate." In the case of the word "excessive," it will be "grossly excessive." Again, it has been said that in the case of property which has been sold for Rs. 10,000 and which will probably fetch Rs. 10,500, because there is a difference of Rs. 500, it must be set aside. It has been said that such a transaction must be rescinded. That seems to be a little too much. Suppose no benefit has accrued and there is very little liability, then it is said that such a transaction must also be set aside. To view all transactions that have been done by the insurance companies up-till now with an eye of suspicion and to check them now merely because of some little suspicion, is, I think, a little too much, and you will be going too far. I am sure that the hon. Finance Minister will see his way to accept the suggestions that I have made.

पंडित सी० एन० मालवीय : जनाब डिप्टी स्पीकर साहब, मुझे जो दो मिनट का वक्त दिया गया है उसमें मुझे सिर्फ यह अर्ज करना है कि क्लाज ४० में जो एक साल की पनिशमेंट (दंड) रखी गई है, उसको गवर्नमेंट को चाहिये कि दो साल की कर दे। मैं यह तजवीज इस लिए पेश करना चाहता हूं कि आपने खुद जो इंश्योरेंस एक्ट है, उसकी दफा १०५ में यह कहा है कि wrongfully obtaining or with holding property के लिए दो साल की सजा होगी। यही चीज आपने क्लाज ४० में रखी है और कहा कि फार विदहोल्डिग प्रापर्टी इटसेटरा (सम्पत्ति रोके रखने आदि के लिये) के लिए एक साल की सजा होगी। दोनों में जो जुर्म है वे यकसा हैं लेकिन सजा को अब इस बिल में घटा कर एक साल कर दिया गया है। जिस वक्त यह बिल सिलैक्ट कमेटी में गया था उसके पहले भी मैंने आपकी तवज्जह इस तरफ दिलाई थी। सिलैक्ट कमेटी ने इस बिल में जहां पहले ६ महीने की सजा थी उसको बढ़ा कर साल भर की सजा तो कर दिया है लेकिन साथ ही साथ यह भी कहा है कि यह सजा काफी नहीं है। इसकी वजह यह दी गई है कि क्योंकि यह सजा किसी अच्छे आदमी के लिये तो रखी नहीं गई है बल्कि अनसोशल एलिमेंटस (समाज विरोधी तत्व) के लिए रखी गई है, इस वास्ते ज्यादा होनी चाहिये। अब जब इनश्योरेंस कम्पनीज को हम नेशनलाइज (राष्ट्रीयकरण) कर रहे है तो कम सजा रख कर हमें कुछ परेशानी हो सकती है और जो लोग हमें परेशान करेंगे वे यही लोग हो सकते हैं। इस वास्ते सजा ज्यादा रखी जानी चाहिये थी। यह जो दफा १०५ इनश्योरेंस एक्ट की है इसके खिलाफ आपने इस बिल की दफा ४३ को पास कर दिया है। अब क्लाज ४० में आपने सजा को एक साल कर दिया है और इस तरह से एक सख्तकदम जो पहले से इनश्योरेंस एक्ट में मौजूद था उसको आपने लिब्रलाइज (उदार) कर दिया है। अगर आप इसको पढ़ें और इसके साथ ही साथ पीपल्ज रिप्रिजेंटेंशन एक्ट (जन प्रतिनिधान एक्ट) की दफा ७ को पढ़ें और इन सबको एक साथ पढ़ने के बाद सोचें तो मेरा खयाल यह है कि आप इस कनकल्यूशन (निष्कर्ष) पर पहुंचेंगे कि मेरी जो एमेंडमेंट है यह बहुत ही रीजनेबल एमेंडमेंट (उचित संशोधन) है जिसको कि गवर्नमेंट को मंजूर कर लेना चाहिये।

Shri Barman: Within the short time at my disposal, I cannot speak in detail. I shall simply point out to the hon. Finance Minister that in his speech on the 18th May, 1956, he himself had admitted that this insertion "any other person interested" will involve a measure of harassment at the hands of unscrupulous persons. After that, I do not understand why he is not objecting to the insertion of it now. The hon. Member at whose instance these words were inserted in the Select Committee stage has himself not understood the implication of those words and he has tabled amendment No. 81, in which he says any person who has a substantial interest in the payment, etc., shall have the right to apply for relief to the tribunal. It is possible that if any person has any case or any objection to any transaction, he can simply approach the corporation and get any wrong righted. When this is so, putting this clause and giving the right to any person to go into any transaction that has been entered into during the last five years, before the 19th day of January, 1956, will be just opening up old cases and challenging every transaction of all the 160 companies for the past five years. It is a very strange proposition and a dangerous proposition. When it is unnecessary, I do not understand why the hon. Minister is not objecting to it, while he himself professes that it will involve a measure of harassment.

Shri M. C. Shah: I beg to move:

Page 21, line 24—

for "Act" *substitute* "section".

I may also say that I accept the amendment moved by Shri Sadhan Gupta—amendment No. 187 to clause 6, with regard to the running of this business which we have taken over.

Mr. Deputy-Speaker: What about amendment No. 71?

Shri M. C. Shah: We have already accepted that. I am now on amendment No. 187. To make it clear, although we are advised by the Law Ministry that it is not necessary, we have accepted it, in order to make the position very clear and make it beyond doubt.

[Shri M. C. Shah]

With regard to all the other amendments, we have given very careful thought to them and I must say that we are unable to accept them. Within the few minutes at my disposal, I do not think I can dilate on all the points that were raised during the debate which lasted for an hour or so. Shri Tulsidas had the fear about the advantage that should accrue to the community. He said that the policyholders' interest must be supreme and he therefore suggested certain amendments. I may just inform him and all the Members of the House that the policyholders' interest will be always supreme. It is not necessary that we should put it there.

The Bill provides that 95 per cent. of the surplus should go to the policyholders and 5 per cent. to the corporation. Shri Tulsidas wants 97½ per cent. and 3½ per cent. respectively to go to these respective items. He perhaps knows that in the Insurance Act, before it was amended in 1950, the provision was that 10 per cent. had to go to the shareholders and thereafter it became 7½ per cent. Now, we are just making it 5 per cent. After all, it is going to the corporation which belongs to the community. Therefore, it is not that we are just liberal in allowing 95 per cent. to the policyholders. So, it is unnecessary now to reduce that percentage from five to 3½ as the hon. Member suggests.

There is one point that was made by my friend Shri Sadhan Gupta and that was with regard to the retrenchment of the composite companies from whom we have taken over the life insurance business.

He says that there is some staff allotted for the work of life business in composite companies. We are prepared to take over that staff, but not the surplus staff of the composite companies. I can assure him that we shall safeguard the interests of all those who are employed on the life side of the companies. He also referred to certain other amendments, which he sought to move in the Select Committee as well. We have consulted the Law Ministry and we are advised that they are not necessary. I do not like to take the time of the House over them.

An hon. Member from the other side made a suggestion that the regulations should be placed on the Table of the House. This matter was discussed thoroughly in the Select Committee. The Corporation is going to be an autonomous body and if all the regulations for the day to day administration of that body are to be placed on the Table of the House, we felt that it would be difficult to carry on its work.

We are prepared to accept the amendment of my hon. friend Shri Barman (No. 193). We have again taken the opinion of the Law Ministry and they say that all the assets and liabilities will be that of the Corporation and so the Corporation will have to come before the tribunal and there will be no other interested party.

Mr. Deputy-Speaker: I shall now put the amendments to the vote of the House.

The question is:

Page 5, line 5—

add at the end:

"or otherwise."

The motion was adopted.

Mr. Deputy-Speaker: The question is:

Page 5, line 8—

after " to carry on" *insert:*

"either by itself or through any subsidiary"

The motion was adopted.

Mr. Deputy-Speaker: The question is:

Page 4, line 24—

add at the end:

"without in any way whatsoever undermining the policyholders' interests, which should be regarded as supreme."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 5—

after line 17, *insert:*

"(2A) The Corporation shall expeditiously transfer any other business, where such other business was being carried on by a subsidiary of an insurer whose controlled business has been transferred to and vested in the Corporation under this Act, to such insurer and failing such insurer, to any other suitable party."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 4, line 24—

add at the end:

"and in particular that it is extended to the rural areas and to cover industrial workers and other low income groups so far as practicable."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 4—

for lines 31 to 27 *substitute*:

"(b) to invest the funds of the Corporation in any Government securities or approved securities;"

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 4, line 33—

after "Corporation" *insert :*

"after consultation with the Ministry of Planning of the Central Government."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 5, line 4—

after "lend money" *insert* "to policyholders of the Corporation."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 5, line 8—

after "to" *insert* "take over and"

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 5, line 11—

add at the end—

"or where such other business was being carried on by any composite insurer, the business of whose subsidiary is transferred to and vested in the Corporation or where such other business is being carried on by a composite insurer whose affairs were being managed on the appointed day by an administrator appointed under section 52A of the Insurance Act."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

"That clause 6, as amended, stand part of the Bill."

The motion was adopted.

Clause 6, *as amended, was added to the Bill.*

Mr. Deputy-Speaker: I shall now put amendment No. 119 to clause 10.

The question is:

page 8, line 17—

for "Act" *substitute* "section".

The motion was adopted.

Mr. Deputy-Speaker: The question is:

Page 8, line 19—

after "shall be subject to" *insert* "annulment or"

The motion was negatived.

Mr. Deputy-Speaker: The question is:

"That clause 10, as amended stand part of the Bill."

The motion was adopted.

Clause 10, *as amended was added to the Bill.*

Mr. Deputy-Speaker: I shall now put amendment No. 193 to clause 15.

The question is:

Page 11, line 22—

omit "or any other person interested"

The motion was adopted.

Shri C. D. Deshmukh: I have an amendment to move to this clause consequent to the acceptance of the above amendment.

I beg to move:

Page 11, lines 31 and 32—

for "granted wholly or in part" *substitute* "determined in favour of the Corporation"

Shri U. M. Trivedi: I do not think it is necessary.

Shri M. C. Shah: We have been advised that it is necessary.

Mr. Deputy-Speaker: If the Government thinks that it is necessary, there is no harm in adopting it, because it does not do any injustice to other clauses.

Shri U. M. Trivedi: On a point of order: I want to know whether it is consequential in that way.

Mr. Deputy-Speaker: It is, because we have made another amendment and it follows from that; therefore it is consequential—we have necessarily to make it.

The question is:

Page 11, lines 31 and 32—

for "granted wholly or in part" *substitute* "determined in favour of the Corporation"

The motion was adopted

Mr. Deputy-Speaker: The question is:

Page 11, line 7—

for "an excessive" *substitute* "a grossly excessive."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 11, line 12—

for "as to cause a loss to, or impose a liability on" *substitute* "as to cause a serious loss to, or impose a grave liability on."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 11, line 13—

for "exceeding any benefit accruing to the insurer" *substitute* "without justifiable grounds."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 11, line 16—

for "an inadequate" *insert* "a grossly inadequate."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 11, line 3—

for "five years" *substitute* "three years."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 11, line 6—

for "an inadequate" *substitute* "very inadequate."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 11—

(i) line 1—

after "Where" *insert* "it appears to the Corporation that";

(ii) line 18—

after "was not" *insert* "in the opinion of the Corporation"; and

(iii) line 19—

for "or was" *substitute* "or appears to the Corporation to have been."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 11, line 22—

for "any other person interested" *substitute :*

"any person who has a substantial interest in the payment, disposal, acquisition, agreement or variation thereof or other transaction or transfer."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 11—

(i) line 23—

for "such transaction" *substitute* "thereof"; and

(ii) line 24—

for "to the transaction" *substitute* "thereto"

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 11, line 26—

after "The Tribunal" *insert* :

"after satisfying itself about the correctness or otherwise of the opinion of the Corporation."

The motion was negatived.

Mr. Deputy Speaker: The question is:

Page 11, line 26—

after "such order" *insert:*

"or declaration or both."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 11, line 26—

after "such order" *insert* "in favour of or."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 11, line 28—

for "for the transaction" *substitute*:

"in respect of the payment, disposal, acquisition, agreement or variation thereof or other transaction or transfer, as the case may be."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

"That clause 15, as amended, stand part of the Bill."

The motion was adopted.

Clause 15, as amended, was added to the bill.

Mr. Deputy-Speaker: I shall put amendment No. 218 to clause 48.

The question is:

Page 21, line 24—

for "Act" *substitute* "section"

The motion was adopted

Mr. Deputy-Speaker: The question is:

Page 21, line 26—

after "shall be subject" insert "to annulment or"

The motion was negatived.

Mr. Deputy-Speaker: The question is:

"That clause 48, as amended, stand part of the Bill."

The motion was adopted

Clause 48 as amended, was added to the Bill.

Mr. Deputy-Speaker: Now there are clauses 5, 7, 8, 9, 13, 17, 18, 20, 21, 23, 24, 26 to 34, 37 to 42, 44 to 47 and 49.

An Hon. Member: We have moved amendments to it.

Mr. Deputy-Speaker: I shall put all of them to the vote of the House.

The question is:

Page 6—

(i) line 22—

omit "and in case of"; and

(ii) lines 23 and 24—

for "the decision of the Central Government" *substitute* "shall be referred to the Tribunal whose decision"

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 6, lines 23 and 24—

for "the decision of the Central Government thereon shall be final" *substitute*—"such dispute shall, on application by any party thereto or by any person who has a substantial interest therein, be decided by a tribunal and the moneys and assets shall be apportioned accordingly."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 6—

after line 29, *insert:*

(3A) Each such trust shall be so constituted that the number of trustees representing the beneficiaries of the Trust is not less than half of the total number of trustees.

(3B) The trustee or trustees representing the beneficiaries shall either be elected by the beneficiaries from amongst themselves or nominated from amongst the beneficiaries by the Trade Union if any, or the Federation of Trade Unions, if any, of the employees of the Corporation or of a substantial portion of them or by an organisation to which such Trade Union or Federation is affiliated."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 6, line 34—

add at the end:

"and as respects the moneys and assets received by the trustees on apportionment under sub-section (2)."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 12, line 30—

for "in the event of" *substitute:*

"on the ground of discovery of new and important matter or evidence which, after the exercise of due diligence, was not within the knowledge of or could not be produced by the party applying for review of such decision or on the ground of"

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 12, line 31—

for "or correct" *substitute* "or may correct."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 13, line 6—

after "Zonal Manager" *insert*:

"after consultation with the Board constituted under sub-section (2) of section 22."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 13, line 34—

add at the end "and all such directions shall be published in the annual report of the Corporation"

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 13—

after line 34, *add:*

"(2) The Central Government shall, as soon as may be, after the issue of any such direction, cause the same to be laid before both Houses of Parliament unless in the opinion of the Central Government, it is not expedient in the public interest so to do."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 13—

after line 34, *add:*

"(2) The Central Government shall, as soon as may be, after the issue of any such direction, cause the same to be laid before both Houses of Parliament."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 14—

after line 22, *add:*

"Provided that no person who is a workman under the Industrial Disputes Act, 1947 (14 of 1947), shall be transferred except with his consent or, where he is transferred to any place in the same zone, except on payment of compensatory allowance for any loss that he may incur by reason of the transfer.

Provided further that the person employed for the procuration of business shall not ordinarily be transferred from any place where he was employed on the appointed day or where he was first employed by the Corporation."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 15—

for clause 28 *substitute:*

"28. If as a result of any investigation undertaken by the Corporation under section 26 any surplus emerges, dividend shall be paid out of such surplus to the Central Government at 3½ per cent on the capital provided by it to the Corporation under section 5 of this Act, and the remainder shall be allocated to or reserved for the policyholders of the Corporation."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 15, line 13—

for "95 per cent." *substitute* "97½ per cent."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 15, line 18—

for "the auditors" *substitute* "the Comptroller and Auditor General".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 18, lines 5 and 6—

omit "subject to the provisions contained in section 14.".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 18, line 38—

for "one year" *substitute* "two years".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 20—

after line 13, *add:*

"Provided that notwithstanding anything contained in the section, if any composite insurer specified in clause (c), retrenches any employee who is a workman under the Industrial Disputes Act, 1947, (14 of 1947) after the 19th day of January, 1956, such employee shall become an employee of the Corporation as from the appointed day or the date of retrenchment, whichever is later; and where no specific provision has been made in this section, section 11 shall apply to such employee as if—

(a) the controlled business of such composite insurer has been transferred to and vested in the Corporation;

(b) for references to the appointed day, reference to the date of retrenchment of such employee had been substituted;

(c) for the words and sign "if this Act had not been passed" the words and sign "if he had been retrenched" had been substituted; and

(d) for the proviso to sub-section (1), the following proviso had been substituted, namely:—

'Provided that nothing contained in this sub-section shall apply to any such employee who has not by notice in writing given to the Corporation before the expiry of one month from the appointed day or from the date of his retrenchment whichever is later, communicated his intention of becoming an employee of the Corporation'.".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

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after line 23, *add:*

"(2) All employees of a composite insurer, the assets and liabilities appertaining to the controlled business of whom has been transferred to the Corporation under this section, shall become employees of the Corporation as from the date on which the transfer of assets and liabilities is completed and where no specific provision has been made in this section, section 11 shall apply to such employees as if—

(a) the controlled business of such composite insurer has been transferred to and vested in the Corporation;

(b) all references to the appointed day were references to the date on which the transfer of the assets and liabilities under clause (a) of sub-section (1) is completed; and

(c) for the words and sign "if this Act had not been passed", the words and sign "if the assets and liabilities had not been transferred as required by clause (a) of sub-section (1) of section 45" had been substituted."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

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after line 29 *add:*

"(3) All regulations made under this Act shall be laid for not less than thirty days before both Houses of Parliament as soon as may be after they are made, and shall be subject to annulment or

[**Mr. Deputy Speaker**]

to such modifications as Parliament may make during the session in which they are so laid or the session immediately following.".

Mr. Deputy-Speaker: The question is:

"That clauses 5, 7, 8, 9, 13, 17 18, 20, 21, 23, 24, 26 to 34, 37 to 42, 44 to 47, 49 and 1 stand part of the Bill."

The motion was adopted.

Clauses 5, 7, 8, 9, 13, 17, 18, 20, 21, 23, 24, 26 *to* 34, 37 *to* 42, 44 *to* 47, 49 *and* 1 *were added to the Bill.*

The Enacting Formula and the Title were added to the Bill.

Shri C. D. Deshmukh: I beg to move:

"That the Bill, as amended, be passed."

Mr. Deputy-Speaker: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

RESOLUTION *RE.* SECOND FIVE YEAR PLAN

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): Mr. Deputy-Speaker, Sir, some days ago, I had the honour of presenting to the House the report of the Planning Commission on the Second Five Year Plan. I presume that many Members have read or at any rate partially read this report since then.

[MR. SPEAKER *in the Chair*]

I have now the honour to move the following Resolution:

"This House records its general approval of the principles, objectives and programmes of development contained in the Second Five Year Plan as prepared by the Planning Commission."

It has been agreed informally that this debate on this very important subject should continue in the next session, because we are anxious that the House should be given the fullest opportunity of expressing its views on this report on the Second Five Year Plan. It is also generally agreed that on this occasion, during the next two or three days, whatever the period might be, attention may be more specially paid to the general principles, to the approach, etc., as contained in the first eight chapters of this report. Therefore, this debate will not end during this session, but will probably continue at the beginning of the next session of the Lok Sabha.

Those hon. Members who have read this report will probably not find it very light reading. A report of this type can hardly be termed light reading although I believe there are many parts of it which are exciting reading. Few of us can say that we agree with every single word in this report, with every single proposal. A report of this type is the product of a great deal of labour of a great many persons, not only Members of the Planning Commission, but the vast number of other people who have been consulted, experts of our own country and from foreign countries, various groups, representatives of various interests and professions. In fact, it is the product of the joint labour and thinking of a very large number of people in this country. As with all joint products, there is an attempt to meet various view points. It may be that somebody may say this is not exactly what I thought about this matter. That is natural. Nevertheless, I would venture to say that this report represents a certain unity of approach. In any event, I hope that this House will view this report as a whole and from the point of view of this unity of approach, objectives, methods and principles underlying it and not so much in regard to certain detailed programmes and the rest. It is open, of course, to any hon. Member to criticise or to make suggestions about any part of the report whether it relates to principles or to details. But I submit that the important thing is to get hold of the main principles. I propose, therefore, to deal with certain broad principles only.

What does this report mean? It may be light reading for some. It may be heavy reading for others. But, the subject which concerns this report is obviously not only of the highest importance but something that produces in me very great excitement. It is an exciting subject because it deals with the future of 360 millions of people, and, to some extent, that future will affect the future of other countries and even of the rest of the world. Therefore, it becomes an enthralling and exciting subject. We read the history of India. We have a long history with many ups and downs. Now, we are concerned with the writing of our history. Now, we are concerned with the shaping of the future of India. Surely, there could be fewer more exciting subjects than this. It is, therefore, with a sense of the burden of history upon me, upon us, upon this House, that I face this problem. It is also with a great sense of humility, because, however great, however competent we may consider ourselves, we are small in relation to this mighty theme, that is, the building up of India, taking this country and its millions of people forward during the next five years.

Five years, I say. That five years is only some kind of a period that we fix for our convenience, because there are no periods in the march of a nation. It is a continuous march. We must really think in terms of even larger periods, one, two, three, four Five Year Plans. This is the second. Nobody thinks that at the end of the second Plan, we shall have been at the end of our journey. There is no end of a journey when a nation is marching. Nevertheless, leaving out the final ends, even such ends as we envisage, the objective that we have, the objective of a socialist pattern of society, we are not going to achieve at the end of the First Five Year Plan or the second. It may require three, four Five Year Plan periods before we can say with some confidence that we have very largely achieved it. Therefore, we must keep this larger perspective in view. In planning, especially, we are apt perhaps sometimes to forget the larger perspective and lose ourselves in details, lose ourselves in some particular aspect of it which is of importance and yet which may very well come in the way of the larger perspective that we have. The question arises—important question—of regional development. Now, we are all agreed that there should be an even development all over India, even regional development. We are all agreed that the disparities, not only as between individuals in regard to income, but in regard to the various areas in India should be removed, that there should be equality of growth and opportunity all over India. That is true. But, if we start applying that principle regardless of the other objectives and perspective, you may spoil the whole Plan. We may not have very much to give to any region. Therefore, in looking at the Five Year Plan, we have to think really of several Five Year Plans. That is why it is becoming more and more important, in addition to the period we are dealing with, to have a longer perspective in view.

Now, this Five Year Plan necessarily deals with, broadly speaking, what might be called material objectives. They are very important, because, it is on the basis of certain material achievements that you build other achievements. It deals, to some extent, no doubt, with culture and like matters. Nevertheless, it confines itself chiefly to material advances. That does not mean that we in this House attach no importance to other aspects of human life. Indeed, all the material advances that we may achieve may perhaps be worth nothing at all and may avail us little if we forget the other aspects of human life, moral, spiritual and other aspects. I mention this merely because we have always to keep that in view unless somebody should say, here is your Five Year Plan and you talk only about material advances and not about other matters. It is not because we do not attach value to these other matters, but because we have to deal with these in a certain compass. The others have to be kept in view. It is right at any time that we should keep in mind these moral and spiritual values. Perhaps it is even more appropriate on this occasion today when we are on the eve of the celebration of a very great anniversary of a very great man, a great son of India, that we should remember those moral and spiritual values, which ultimately give content to the life of an individual as to that of a nation.

Now, coming to this particular report, the first thing I should like this House to consider for a few seconds, and the report speaks perhaps a little about it, is the present day world. We stand or we sit as the case may be, in this middle of the twentieth century, and this middle of the twentieth century has brought about tremendous changes all over the world. These changes are due to many factors. There have been wars, great wars, revolutions and the like. Anyhow, the world has greatly changed, and what is more important, is continually and greatly

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changing. The pace, the tempo of change is tremendous. Any such plan that we make like this Five Year Plan is subject always to the great changes, political, economic, technological and the like, that we are having.

I shall not refer to the political changes, but the principal thing, the most revolutionary thing, in the wide world, that we have seen is the technological change that has come about, and which has really in the last few generations changed the world. Now, everybody knows that. But there is one aspect of this vast technological change which perhaps is not always present to our minds.

All of us who think of these problems or any problems probably have some kind of ideology, some kind of philosophy of life. We may not be philosophers, but without some kind of philosophical or ideological approach we would have no yard-stick to measure things by. And yet, one aspect stares us, namely that the ideologies and the philosophies of life that we adhere to somehow do not fit in with this middle of the twentieth century, whatever they were. It may be, of course, that though facts change and circumstances become different, we still hold to the lines of thinking that we previously had, because the human mind is a singularly conservative thing, and it does not easily change. It is a remarkable thing that today when almost every single ideological approach which had a great deal of truth in it—and many of them—does not quite fit in with the present day, we ignore what is happening in the present day, and still hold on to some, if I may venture to say so, rather out-of-date philosophical or ideological approach. Take something; take the question of war. Many people say that because of various developments in the world, war has become, or ought to become out of the question, because war does not achieve the thing you aim at. War was useful—whether it is good or bad—if it helped you to realise your objective. When it does not do that, when in fact it does something that is the reverse of that, then no person, however inclined he might be, is likely to indulge in the war.

I should like to extend that parallel a little further. If a war, atomic or other, is now something that can only be considered excessively foolish, the cold war becomes more and more equally absurd; it exists; it goes on, but really, analysed in the circumstances of today, it has little meaning. It only makes matters worse; it does not help us to solve any problem.

If it did, I can understand it. And I am not talking in terms of the merit of this or that, the problem, but I am saying that a certain method of approach has become out of date, whether it is so-called shooting or atomic war or the cold war.

I gave those examples in order to state the second fact that the other approaches—apart from war—the other economic approaches, even the other ideological approaches, which are very useful and which have a great deal of truth, just do not fit in today with circumstances as they are.

The major fact of the last many years or few years, and the major fact o ftoday, is the stupendous advance of technology. Everything flows from it, whether it is in a sense the atomic bomb or the tremendous colossal growth in production and everything, which is greater than was envisaged by any person previously, and because it was not envisaged previously, it is wrong for us to ask somebody who had not envisaged it, to give us an answer to today's problems.

So, here is this patent fact of this tremendous growth of technology, the tremendous growth of the productive apparatus of society, the tremendous power that human beings possess and are likely to possess, atomic power, energy etc. These things are not quantitative changes, but they bring about qualitative changes in society. And the previous theories we had in regard to them, therefore, have to be considered from this qualitative changed point of view. I do not mean to say that we should upset everything that we thought previously, but that we have to shape it and vary it to fit in with these changes.

Of course, in India, where we have not been very powerfully affected by the technological process, but only slightly, we have read about it, and we have no real sensation of these tremendous technological revolutions, it is a little more difficult for us to appreciate this great revolution. But it is the basic fact, and when we talk of planning, more so, when we talk of anything else, we have to think in technological terms. because it is this growth of science and technology that has enabled man to produce wealth which nobody could ever dream of. It is that which has made other countries wealthy and prosperous, and it is only through the growth of this technological process that we shall grow and become a prosperous and wealthy nation; there is no other way. Of course, there are many other things to be done too. But I want to lay stress on this. This is basic.

Now, if you look at the picture of India—and that would apply to many other countries under the colonial rule—ten years ago or twelve years ago, or leaving out the last few years, in the previous two decades, you will find a static, even a stagnant society. Yes, some big cities grew up, Calcutta, Bombay and other cities grew up. But taking the country as a whole, it was a static and stagnant society, where instead of making progress, either we remained where we were or sometimes we even went backwards. Take even the small figures. In spite of this big war that happened, where moneys appeared to flow about a great deal, and some people no doubt made large sums of money, the fact is that even in the post-war years, we saw that the general condition of the country had gone down slowly. It was stagnant. It did not profit by all that.

I should like to mention a few figures. Take, for instance, this post-war period. In 1948-49, the national income was Rs. 8,650 crores, and the *per capita* income Rs. 246·9. In the next year, the national income was Rs. 8,820 crores, and the *per capita* income Rs. 248.6. In the next year, that is, 1950, that is, just before the First Five Year Plan, the national income was Rs. 8,850 crores, and *per capita* income Rs. 240— that is it has even slightly come down from Rs. 248. You see the national income more or less the same, very slightly creeping up, and the *per capita* income remaining the same or going down. Meanwhile, of course, the population grows, and went on growing.

5 P.M.

Now, this was the state of affairs for quite a lengthy period before the First Five Year Plan started functioning—for several decades. At the end of the First Five Year Plan we have—remember, at the beginning the figure of national income was Rs. 8,850 crores—a national income of Rs. 10,800 crores. Nothing very remarkable, but nevertheless significant. The *per capita* income has gone up from Rs. 246 to Rs. 281 at the end of the First Five Year Plan period.

As I said, there have been far greater increases in other countries; the pace of increase has been greater. Nevertheless, the First Five Year Plan made a significant change in that nature of our static and stagnant economy. It broke that barrier of poverty and of being under-developed, which curses a poor country, out of which it can hardly grow, because poverty breeds poverty; poverty does not lead to anything; it is a horrid thing. If we have to get out of that, we have to break that barrier which holds us down. The First Five Year Plan—I do not say it has broken down the entire barrier—made the first effective breach in that barrier in regard to national income and in regard to *per capita* income.

Now, in the Second Plan, we have to make a bigger breach. In other countries, it so happens, of course, that the old rule prevails, unto those that have got, more shall be given, and from those that have not got, perhaps even what they have got might be taken away. So the poor countries remain poor and the rich countries become richer and richer and richer, more surpluses, more investment, more production. So it goes on. If you compare the rate of progress of some countries, it may be 6 per cent. per annum, 5 per cent, 6 per cent. or even 10 per cent. or 11 per cent. or more—from reports that we see.

For us, now we have aimed at 5 per cent in this Plan, and 5 per cent. is going to be a hard job for us to achieve. We will have to work very hard, because we started at such a low level, with such low surpluses. India is almost at the lowest rung of the income ladder. Even China, I believe, is a little higher. Take even Russia at the time of the Revolution; it was much higher than India is today—leave out what the Revolution has done to Russia. So we have to start with that main difficulty; we have to start at a low level.

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Now, the First Five Year Plan has, I think, made a significant breach in this barrier which prevents a poor country from going ahead. I should just like to read to you something that is in the Report, how we envisage, how the Planning Commission thinks of, the future. Naturally, it is a guess work, an estimate; nevertheless, it is not purely guess work; it is based on such thinking and satistics as we possess. I have just told you that at the end of the First Five Year Plan period, the national income is Rs. 10,800 crores. Now at the end of the Second Plan period, we expect it to reach Rs. 13,480 crores; so also the *per capita* income to go up from Rs. 281 to Rs. 331. For the Third Plan period, we envisage national income to go up to Rs. 17,260 crores and *per capita* income to Rs. 396. For the Fourth Plan—that will take us to 1971—the national income is expected to go up to Rs. 21,680 crores and *per capita* income, to Rs. 466. Finally, at the end of the Fifth Plan—up to 1976—the national income is expected to be Rs. 27,270 crores and *per capita* income Rs. 546. This is during the next 20-year period. This is some kind of a rough estimate of what we think the progress of India might be.

Now, as I said, this depends on so many factors that are more or less uncertain. This whole idea of the Planning Commission may be upset to our advantage by new developments in science and technology. The Planning Commission cannot tell us merely what scientific and technological developments will come about. Therefore, we may go faster ahead. On the other hand, if by some misfortune, we cannot, well, work as hard, as we hope the country will, we may not achieve our target.

Here I might say that we have often repeated that this Plan is a flexible Plan. What does that mean? It does not mean that it is just a vague Plan for us to change about and throw about, if we cannot achieve this, well put a lower target or extend the period by another year or two. It does not mean that. Naturally if by *force majeure* or something it becomes absolutely impossible for us to do something, there it is. But I do not mean by its being flexible that these targets that we have laid down are loose targets. We want to achieve them; we are going to try to achieve them, and sometimes we shall go ahead.

I may tell the House that even after the preparation of /this Report there was a change. While it was being considered by the National Development Council, just previous to printing it, it refused to accept one of the main targets that we had laid down, something of vast importance to us, the target for production of foodgrains. The National Development Council refused to accept the target laid down It thought it was too low a target. It directed that it must be raised, not raised by a little or double or treble. The figure that is given in the book, I believe, is 15 per cent additional food production in the next five years. The National Development Council, I am very glad to say, said that this was totally inadequate and we must try to achieve 40 per cent. or at least 35 to 40 per cent. It is a tremendous change from 15 to 40 per cent. Were we just engaged in wishful thinking or what? I do not think it is wishful thinking. I think it is possible that we can reach 40 per cent. achieve nearly 40 per cent. increase, and if not 40 per cent, something like 35 per cent. Anyway, it is far more than 15 per cent.

So the House will see that even as the Report is prepared, and even as we here in Parliament are considering it, our minds go further. We think afresh, we think more and more, we want to vary it here and there, change it for the better, I hope, always. In that sense, it is flexible. We shall consider it every year, the targets etc., and if we think it right, vary them.

During the next session, I hope to present to this House a Report of the Annual Plan, because we are now going to have annual plans. I hope to place a Report of the Annual Plan of the first year of the Second Five Year Plan before this House probably during the next session. So every year, a Report of the Annual Plan will be placed hee which may give a more precise indication of the targets for that year.

Now, we have said that our objective is a socialist pattern of society. I do not propose to define precisely what socialism in this context means, because they wish to avoid any doctrinaire thinking, any rigid thinking, because even in my life I have seen the world change so much, and I have seen so many other changes that I do not want to confine my mind to any rigid dogma. But broadly speaking, what do we mean when we say "socialist pattern of life"? Surely we mean a society in which there is social cohesion without classes, equality of opportunities and the possibilities for everyone to live a good life. Obviously this cannot be attained unless we produce the wherewithal to have these standards and lead that good life. So, we have to lay great stress on equality, on the removal of disparities, and it has to be remembered always that socialism is not the spreading out of poverty. The essential thing is that there must be wealth and production. There is a good deal of talk about ceilings, and it is a talk with which naturally one tends to agree because you want to remove disparities. But one has always to remember that the primary function of a growing society is to produce more wealth; otherwise it will grow, and you will have nothing to distribute. If in the process of your fixation of ceilings or in any other process or methods of producing some kind of equality which is so necessary and at which we are aiming you stop this process of growth and wealth accumulation, then you fail in your objective. Therefore, whether it is in industry or in agriculture, the one and the primary test is whether in your process you are going in for the wealth of the country, for increasing the production of the country or not. If not, you become stagnant in that field or your progress is much more limited, that is to say, that in order to reach equality, in order to reach, as I hope you will some time or other, an automatic ceiling with everybody having equal opportunities, the road to it is not by some artificial fixation but by a hundred paths which gradually bring that about. Certainly the result will be the same, but an artificial attempt at it may prevent it from reaching it and meanwhile reduce the rate of your progress and your growth. Remember this that while we plan, while we work, we grow in population also. It is estimated—I believe I gave the House just now the estimated figure of our national income in the next 20 years—that in the next 20 years the population of India will be round about 500 millions. Please remember the rate of our population growth is not very great; it is far smaller than in many countries in Europe and elsewhere. It is not that the rate is very big, but when a big population grows, naturally the result is that it becomes large, 70 millions more or some such thing. Therefore, always there is the question of population pressure, and all that you produce has to be produced not only for those who are today but for those who are added on to us by the millions. Therefore, the rate of our economic development will depend obviously on the growth of the population, the proportion of investment or the proportion of the current income of the country devoted to capital formation and the return by way of additional production from the undertaking. Obviously, the most important factor is the amount that you invest in relation to the national income. That percentage is always a small percentage in under-developed countries. It is a big percentage in a country which is fully industrialised and developed. Yet, we have to increase it, we have to look at this problem in a balanced way so that the development in the different fields keeps pace and does not become lopsided development. We have to keep these long-range perspectives in view.

It is obvious that one of the major problems we have to face is that of unemployment. It is a terrific problem, a human problem, which we cannot ignore whatever else we may do. Yet in looking at it, it has to be remembered that merely giving some kind of occupation to a large number of persons does not ultimately increase employment or lessen unemployment. We delude ourselves if we think so. An hon. Member of this House made a remark one day, not in the House, I believe, but outside, and said something like this: How would it be, to give employment to a large number of people, if the railways were abolished? Probably there will be some kind of hand-carts, many people will be pushing the hand-carts and some no doubt will be sitting in them? That is a completely wrong approach to this problem. Employment comes by newer and more effective means of wealth production, and you cannot get that. The whole experience and history of the past for the last 200 years shows that by the growth of technological methods. It is true that you cannot merely think of technological growth that just for the moment it leads to human misery. That is a different matter, provided for that. Do not imagine that minus technological progress, we are going to deal

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with the problem of unemployment. You cannot. Every country- which boasts of full employment today is a country which is technologically advanced. Every country which is not technologically advanced has unemployment or under-employment.

Therefore, if India is to advance, India must advance in science and technology, and India must use the latest techniques, always keeping in view, no doubt, that in doing so, the intervening period, which always occurs, must not cause unhappiness or misery. We have to provide for that even at the cost of progress because that is no progress which brings sufferings and misery in its train. But the fact is that our poverty is due to our backwardness in science and technology and by the measure that we remedy that backwardness, we create not only wealth but also employment.

Now we have been planning more or less methodically for the last seven years or so, that is, about two years before the First Plan came on. As we have tried to plan, we have, if I may say so with all respect, grown a little more expert in planning—not much but a little. Naturally we are getting more educated in this process We have had the advantage of discussing these matters with real experts in India and elsewhere, realising that the problems will have to be solved by us, not by the experts elsewhere or from here. But the experts throw light on different aspects of the problems and make us think, and they point out many mistakes that we make or might make.

So, gradually, through painful processes of thought we have proceeded along this path of planning. And I have no doubt that we should continue this and learn more and more, and often make mistakes, nevertheless growing progressively a little more expert at this business of planning. Because, we want to arrive at a stage when we can assess accurately, or more or less accurately, what the next stage is going to be and to provide for it and to visualize our problems in advance, to take appropriate action before events force our hands. That is, after all, the object of planning. And people who do not believe in planning —progressively they are fewer in the world—people who believe in what is called free enterprise, even they are gradually realising the limitations of free enterprise. Of course, in a country like India, situated as we are, there is, or there can be, no question of free enterprise in that sense. We just could not make any progress if we do that; it is not for me to advise any other country in different circumstances, it is for them to decide; but circumstanced as we are, I am quite certain that an unplanned approach according to what is called free enterprise would not make us progress at all, or, if it makes us progress, it will be a lop-sided progress. Of course, we can put up factories here and there, there may be monopolies created, riches here and greater poverty there. That is not what India aims at. Even so the total wealth production of the country will not be as much as through planned effort. That is a patent thing requiring no proof. The essence of planning is the best way to utilise your resources in men and money and everything; and the essence of free enterprise is to leave these things more or less to chance. Well, if chance is a more satisfactory way of dealing with the problems of life than carefully thought out methods, I do not quite know why there should be planning or anything at all. It means trusting to luck or it is only a different way of putting, I suppose, the old idea of *kismet* or fate. That, of course, is no good.

Therefore, all over the world the idea of planning is becoming more appreciated. But what is certainly appreciated by almost everybody is this, that for an under-developed country planning is essential. In a developed country it may not be so necessary, you can perhaps do without it, you may have wealth and you may be able to do it by other ways; but there is no other way but planning in an under-developed country like ours. And when I say planning I mean planning, not in the limited sense of priorities and the rest, but having the full picture and almost every human activity that you indulge in, because each affects the other.

Now, again, we plan for India. India is part of a region, South Asia or a good part of Asia which is more or less undeveloped. As a matter of fact, even the progress and development of India necessitates the development of other countries round about India. I do not mean to say that we cannot develop without those countries developing, or that we should interfere in other countries. That is not my point. My point is that it is to our interests that other countries develop also. It is a completely wrong idea and an exploded motion that if other countries develop, it comes in your way. That is applied only in a colonial pattern of society where you want to buy cheap raw materials from a country under your influence and impose your goods in a protected market. That does not apply to free countries. So it is to our interest that other countries in Asia and Africa also develop. Of course, politically it has been to our interest, but I venture to say economically it is to our interest. We cannot, unfortunately, help them much, because our resources are limited. But the House knows that even with our limited resources we have done what little we could to help our neighbour countries or other countries in Asia and Africa.

Now, I just mentioned to the House that we intend raising the target of our agricultural production. This is not only because we want more food, an adequate supply of food in this country, but because we want more food even for export. Let that be understood. We talk about our resources and, as in the Plan, there is a big gap. How are we to cover that gap? It is a big gap, and for the moment there is no obvious way of covering it. One may well criticise us by saying that we have indulged in some pious hopes in leaving the plan as it is, with that big gap. Well, there are so many uncertainties about human life and planning in a great country. For my part I do not think that it is very difficult—it is difficult—but I do not think it is beyond our capacity to fill that gap and go beyond that.

Now, one of the chief things is foreign exchange. How are we to get foreign exchange? Well, the normal way to get foreign exchange is to export goods. We cannot live in expectation of the bounties of others. If somebody helps us; we welcome it thankfully, but we do not plan merely in the expectation of others being bountiful. Therefore, it becomes essential for us to export, whether it is foodgrains or industrial products or machines or whatever we may have. And we have to think more and more in terms of exporting, so as to import what we want. Otherwise there is no other way out of it. I believe that if we pay enough attention to this export business, we can go much further than has thus far been envisaged.

The other day my colleague, the Minister for Commerce and Industry, laid stress on this necessity of export. I wish this House to realise that, and I wish it to realise also that if we are going to export in a big way, we shall have to import also. One cannot have a one-sided affair; one has to balance these things. Otherwise, one cannot simply send out things without getting something in exchange.

And let it not be thought that it is going to be a burden on us, because that would ultimately increase—apart from getting us foreign exchange—it will increase our wealth producing capacity in this country. Therefore, we should certainly think in terms of more and more exports and build up markets, and build them up more and more in terms of State trading, so that we could profit by it more for purposes of future expansion.

Now, agricultural production has a very special importance. First of all, there can be no real stable industrial economy in this country without a stable agricultural basis. We thought of that in the First Five Year Plan, and we paid considerable attention to agricultural production and we made more progress than we had expected. In fact, that gave us confidence for the future. Nevertheless, we have to do a great deal more. And when I said that we intend to have another forty per cent. increase, that is a great deal. And we can do that, because our agricultural production today is almost the lowest in the world. And we have shown in parts of India that we can increase it by a hundred-fold. It is true that it is difficult to treat the whole of India on the basis of a model farm, but nevertheless, if we can increase it a hundred or hundred and fifty-fold,—now we want to increase it by 40 or 50 per cent. on an average—and no doubt we can do it if we can apply enough thought and energy to it, that again I think is one of the things that should be made the special work of our community schemes. Our community projects and national extension service schemes do cover already about 130 villages in India and they will cover about 50,000 more every year, may be more. As

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the House knows very well, these community schemes of India are something rather unique in the way they have functioned. They are something that have grown out of the soil of India. We have learned from others certainly, but they have grown out of the soil of India and therefore they are peculiarly adapted to India. I do not believe in imitating or copying other countries regardless of conditions in India. Therefore, something which grows in India, may be learning from others, is far more effective than something foreign which we impose on the soil of India. These community projects and national extension service schemes have, I think, created a revolutionary atmosphere in our country-side wherever they have gone. I use the word 'revolutionary' in the true sense of the word and not in the bogus sense. That is, it has changed the thinking and the activities of the people there. It is pulling them out of the rut of passivity and stagnation in which our villages live.

Thus far, these community projects and others have aimed at, what might be called 'amenities' like roads, tanks, wells, school buildings and so on and so forth. Perhaps it was right, because we have to create that atmosphere. People should see that what they do, produces results. Still, some attention was paid to food production and in all the community project areas the percentage of increase in food production there is from 20 to 25 per cent. in the last three years, which is really considerable. And this, when they were not paying very special attention to it; they were paying some attention but they were paying more attention to other matters.

Now we want them to pay special attention to food production and to the growth of small-scale and cottage industries. That means two things, production industrially and agriculturally. I have no doubt that in those areas certainly our agricultural production should increase rapidly, and reach at least the 40 per cent. mark that we propose to lay down for the next five years.

Therefore, this question of food production may also be viewed from the point of view of the gap in this Plan. If we increase our food production by 40 per cent. your gap is filled or more or less filled, not the foreign exchange, that is export of food. We may export food if we had enough of it even today. Therefore, all this revolves round production, how much we can produce in our country.

Now I shall refer to one or two matters—they are very important—but I cannot possibly deal with all the important things in this report. They are questions of administration and organisation, more particularly the matter of management of public enterprises, because the public sector is growing and will grow. Here, may I say, that while I am for the public sector growing, I do not understand, or, at any rate, I do not appreciate, the condemnation of the private sector. The whole philosophy lying behind this Plan is to take advantage of every possible way of growth and not by doing something which fits in some doctrinaire theory and imagine we have grown because we have satisfied some text-book maxim of a hundred years ago. We talk about nationalisation as if nationalisation was some kind of a magic remedy to every ill. I believe that the means of production will be owned by the nation: I believe that ultimately all the principal means of production will be owned by the nation, but I just do not see why I should do something today which fixes my progress, my increasing production, simply to satisfy some theoretical urge. I have no doubt that at the present stage in India the private sector has a very important task to fulfil provided always that it works within the confines laid down, provided always that it does not lead to the creation of monopolies and the other evils that the accumulation of wealth gives rise to. I think we have enough power in our laws, in our rules, etc., to keep the private sector in check. We are not afraid of nationalising anything. The House knows that even during the last few months we have taken some big steps. Only just a little while ago, the House was dealing with the Bill concerning insurance. These are all big mighty steps that we have taken and we are not afraid of taking them, but we do not propose to take any such step merely to nationalise, unless we think it is profitable to the nation. On the other hand, we will much rather build up national industries, new ones, rather than pay compensation to all and sometimes rather decrepit industries in order to take charge of them. Why should we, in this growing age, in the changing technology and changing techniques, take possession of any old technique? I must rather have the latest technique and have new factories or new plants and not an old plant unless that old plant happens to serve some strategic purpose, which is a different matter; and in that case I do it because I want to hold the strategic points in our economy. Therefore, I should like the House to appreciate that the philosophy behind this report is, the public sector and the private sector are made to co-operate within the terms and limitations of this Plan.

Therefore, while the public sector obviously will grow—and even now it has growth both absolutely and relatively—the private sector is not something unimportant; it will play an important role and no doubt gradually; ultimately it will fade away.

Shrimati Renu Chakravartty (Basirhat): Will the philosophy be that the public sector will control all the strategic heights?

Shri Jawaharlal Nehru: Quite so; that is what I said. The public sector will control and should control all the strategic points in our economy. The private sector, as we have stated in the industrial policy resolution, will be given a fairly wide field subject to the limitations, etc., which are there, and it is for us, from time to time, to decide how to deal with that sector in the future.

But the point is that the field for advance is so vast. We are an underdeveloped country. The field for industrialisation is so vast. It is occupied by nobody. Let us advance; let the public sector advance. Why should we spend time and energy over acquiring some old factory and an old plant? I do not just understand it. We are thinking in terms of big things.

Now, let us take oil. Oil, every one knows, is of vast importance in the world today. A country that does not have its own oil, does not produce its own oil, is in a weak position, apart from losing money and apart from the amount of money that goes out in foreign exchange in respect of oil which is terrific. From the point of view of defence, the absence of oil is a fatal weakness. We want to develop it. The House knows that we have proposed to do it and we are doing it in fact. I cannot guarantee how much oil we will have to refine in India. All I can say is that the prospects appear to be favourable. If the prospects are favourable in ten places, and if in seven or eight of them we get nothing and if we get something out of the two or three, those two or three will bring us enough returns to cover all the failures and much more. Therefore, the prospects are favourable. We have to spend money on these things. It is not a particularly easy matter to find more money. But, we have to spend it because it is of vital importance. There may be other matters which are important from the point of view, not only of developing our basic industries, but also from the point of view of certain essential commodities. Of course, the machine making industry is of basic importance. Out of it everything else comes. It is quite essential that we should develop the machine making industry as early as possible. It takes time. We are considering how far we can go, how fast we can go in establishing big chemical plants and drug making plants, all in the public sector. These are all things of advance. I want this House to realise how this vast, unexplored, at least unoccupied field lies there for the public sector to advance, and the public sector is advancing. We do not mind if the private sector advances also, provided that in regard to the major basic things, in the strategic things the public sector holds the field.

There has been some criticism and even in the National Development Council, one solitary voice was raised criticising this Plan because, it was said that it was unfair to certain regions, because some railway had not been built in some part of the country, or some factory had not been put up in some other part. This morning, in answering questions in the other House, this question was raised too and I could not answer that in answer to a question. But, I should like to say this. First of all, it is admitted that there should be every attempt to make every region, every part of India develop equally in so far as it can, and that we should remove the disparities that exist in India. There are some tremendous disparities. Some of our provinces, I would not name them, are very very poor. They do not deserve poverty. In the British days, other parts were developed. Great cities grew up, not so much as industrial centres, but as

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ports for exports to go and other reasons. We want to remove these disparities. We cannot do it suddenly. It takes time. If in the process of trying to remove that disparity suddenly, we really do something which is uneconomic, then, we are merely adding to our burden. There are some plants which can only be started in particular environments. We cannot have an iron and steel plant except where there is iron ore or coal. There is no help for that. We cannot have something else unless some other raw material is present, or unless transport facilities are there. These have to be considered. In regard to most of our major plants, we have appointed committees consisting of our own experts and sometimes foreign experts. They have gone about visiting 20 or 30 places and they have recommended some places. We have tried our utmost to allot that plant to an area where there are perhaps fewer industries. But, by and large, we have been unable to ignore the other factors which will make that plant an economic proposition for that area. If we put it in a wrong place, the plant cannot be an economic proposition. We cannot put it up there. This has to be considered. Ultimately some friends complained, you have put it up in one State and not put it up in another State. Their complaint is justified in the sense that we have to develop that State. We cannot just help it. We cannot help putting up a plant in a place where it will be most successful, because success comes in production. If it is not successful, the public sector is criticised, and otherwise, for, we create a wrong psychology.

Now, referring to the public sector, the question often comes up in this House for discussion, criticisms of the public sector, something wrong that happened—and many wrong things happen naturally in big undertakings. Another question comes up: How can Parliament control the public sector? Well, one can very well understand the desirability and even the necessity of proper controls, of checks and controls over these vast undertakings where hundreds of crores of rupees are spent. But there is one other aspect of this question which I should like to lay before the House.

The way a government functions is not exactly the way that normally businesses and enterprises function. A government rightly has all kinds of checks, as it deals with public money, and perhaps, normally speaking, it has time to apply those checks. But when one deals with a plant and an enterprise, where quick decisions are necessary, which may make a difference of large sums of money, which may be a difference between success and failure, the way a government functions is not a suitable way for it. And I have no doubt that the normal governmental functioning applied to a public enterprise of this kind will ensure the failure of that public enterprise, because of the delays, because of the other limitations of working.

Therefore, we have to evolve a system for working public enterprises, where on the one hand there are adequate checks and protections—that is inevitable—and on the other there is enough freedom given to that enterprise to work quickly without delay. Ultimately judge it by the results. You cannot judge a government by the results; you cannot judge in that sense—I mean financially—because it is a very mixed affair. Therefore, in government, you have to be careful about the pennies, because if you are not careful about the pennies, the pounds and the rupees and what not will go wrong.

But in judging a big enterprise, you have to judge by the final results. Suppose a mistake is made. Today, a thing may be a mistake. Today, a step is taken which causes loss. Somebody in Parliament will raise the question, 'who took that step? Why was there loss of lakhs of rupees' or whatever it is. Well, the executive in that plant will never take a step afterwards. He will say, 'I will be hauled up before Parliament', so that there will be no spirit of enterprise left there, no experimentation, and he will work cautiously.

Shri Velayudhan (Quilon *cum* Mavelikkara—Reserved—Sch. Castes) : Change the personnel.

Shri Jawaharlal Nehru: But the other persons also will be afraid of the same thing.

It is interesting to see countries where there are public enterprises and everything is a public enterprise, and there they have arrived at this conclusion that you must give freedom to the man, to the executive, in charge. Tremendous freedom is given there. Of course, if there is a major loss, if the whole thing goes to pieces, then the man in charge will suffer no doubt. But the point is he is given responsibility.

Every person who has advised us, whether it is an American like Prof. Galbraith, or a great Russian leader like Mr. Mikoyan, has told us, do not interfere with your enterprises, give them responsibility, give your executive responsibility, do not interfere. Mr. Mikoyan came to me—you know they are putting up the steel plant, it is only at the initial stage yet, but in discussing it—and said, 'You do not mind my saying this. But if you do not trust your executive, do not give him much fuller responsibility, the work will be delayed, and will suffer." He said, 'we have come to the conclusion after considerable experience that we must trust our executives and allow them to go ahead.' Of course, there are checks and all that, but checks come afterwards—checks and audit and all that. But the chief man there must be able to do what he wants to do quickly.

If we are to go in for public enterprises in future in a big way, we must realise this fact. We cannot sit down every day and control public enterprises from Parliament. It cannot be done. Sometimes it may be useful; you save some money, but you will lose a great deal of money and the thing will not function rapidly at all, and it will develop a kind of static atmosphere, which is worse for a growing industry.

I am afraid what I have said has been somewhat disjointed, drawing attention to some aspects of this Plan. But again, I would remind the House that this book may be good reading or rather dull reading, but the subject of the book is not a dull one; it is an exciting one; it is a vast one, for it means the future of India.

Mr. Speaker: Resolution moved:

> "This House records its general approval of the principles, objectives and programmes of development contained in the Second Five Year Plan as prepared by the Planning Commission."

As regards, amendments, I will allow them to be moved; but I will examine to see if there is any change required or if they are in order.

Shri N. B. Chowdhury (Ghatal): I beg to move:

That for the original resolution, the following be substituted :

> "This House while recording its general approval of the objectives contained in the Second Five Year Plan as prepared by the Planning Commission resolves that necessary modifications should be made in the recommendations of the Commission on the following lines:—
>
> (i) While raising resources by taxation due consideration will be made of the income consumption pattern and living conditions of the different sections of the population.
>
> (ii) Original recommendations of the Land Reform Panel with regard to the imposition of ceiling on land-holdings, rent, tenancy etc. should be restored.
>
> (iii) With a view to strengthening the public sector, no permission should be granted to the private sector for the installation of heavy industries.
>
> (iv) Further investment of foreign capital should be prohibited and remittance of profits on existing foreign capital in India should be strictly restricted.
>
> (v) Deficit financing should be reduced and the gap thus created should be filled up by tapping the surplus economic potential existing in the country.
>
> (vi) Comprehensive social security measures should be embodied in the Plan in the interest of the working class.
>
> (vii) Larger allocation should be made for rural health centres and supply of drinking water in rural areas.
>
> (viii) Further democratisation of the administrative structure should be provided at all levels."

Shri Nageshwar Prasad Sinha (Hazaribagh East): I beg to move:

That in the resolution—

[Shri Nageshwar Prasad Sinha]

add at the end:—

"and calls upon all sections of the people to contribute their best for achievement of the targets set down before the country".

Shri U. C. Patnaik (Ghumsur): I beg to move:

That in the resolution—

add at the end:—

"and further suggests that Defence be co-ordinated with Planning, to ensure greater efficiency and larger economy, in both spheres, *inter alia* by—

(i) utilising the splendid men, machinery and other materials in the defence organisation as national assets for purposes of Planning;

(ii) providing adequate education and training facilities—general and vocational—in the defence organisation;

(iii) reorganising the twenty Ordnance factories so as to increase production, to avoid imports and to ensure fuller employment;

(iv) expanding the military engineering and other technical arms and services in order to supply the shortage of technical personnel in the civilian wing and at the same time to maintain adequate military units for defence requirements;

(v) providing for proper storage, preservation and utilisation of the valuable material lying idle in the defence depots and parks, so that projects and research centres can take advantage of those that are not required by the defence authorities;

(vi) partial utilisation, during peacetime, of the Services (especially their technical branches) to further the programmes of the Planners without detriment to military efficiency;

(vii) proper utilisation of ex-service personnel for purposes of Planning;

(viii) co-ordination of the M. E. S. E. M. E., M. T., Signals, Fire Services and A. M. C. with their corresponding numbers in the civilian departments, to facilitate efficient execution of the Plan;

(ix) reorganisation of ex-N. V. F. personnel for follow-up work in various Projects, to be converted into auxiliary sappers (Pioneers), in emergencies;

(x) expansion and co-ordination of the scientific and research organisations, in the civilian and military wings;

(xi) revival and improvement of the Army G. M. F. campaign and the undertaking of deep-sea fishing through naval units;

(xii) co-ordination of the activities of Civil and Military Security and Intelligence Services;

(xiii) utilisation of the amounts earmarked for shipping, ports and harbours and deep-sea fishing for naval defence as well as for national development;

(xiv) ensuring civilian and defence efforts in the building up of auxiliary air reserves; and

(xv) co-ordinating all official and non-official Youth organisations in the country, providing them with facilities for a basic military training and rifle-shooting, thus forming the nucleus of a trained and disciplined labour force, for national service."

Shri Sivamurthi Swami (Kushtagi): I beg to move:

That in the resolution—

add at the end:—

"but is of opinion that the Plan has failed—

(i) to organise the extensive use of man-power as the normal method of production in our country in order to meet the primary needs of the community at large on co-operative and other suitable methods to meet the challenge of unemployment problem of the nation as a whole;

(ii) to reorganise and to decentralise the administrative machinery of the Centre and the States from the lowest unit possible with statutory powers to the district and taluka advisory committees to execute the Plan in their respective areas, to aim at inculcating the spirit of self-help, mutual aid to each and every one, and a consciousness of social solidarity to achieve the object of 'Lok Raj' the real Swaraj through self-sufficiency and self-planning;

(iii) to introduce a free and compulsory primary education during or after the Five Year Plan according to the Directives of the Constitution and to provide necessary technical and other practical education on large scale with less or no expense to all those who intend to have such education to make them self-supporting and self-employing;

(iv) to take necessary steps to eliminate the competition between large-scale and small-scale industries by fixing the pattern of production in each field or by ensuring the market for small and cottage industries; and

(v) to provide sufficient financial and economic means to the Harijans and Scheduled Tribes to raise their economic standard of living to the minimum that is necessary for human beings."

Shri Matthen (Thiruvellah): I beg to move:

That in the resolution—

add at the end:—

"and further suggests that as the Ship Building Yard at Vishakhapatnam can be expected to cope with hardly half of the target for ship-building during the Second Plan period, and as there is no prospect of getting the ships built in foreign Yards within a reasonable time, immediate steps should be taken to start the work on the Second Ship Building Yard, so that the Yard should be in operation from at least the third year of the Second Plan."

Shri Debendra Nath Sarmah (Gauhati): I beg to move:

That for the original resolution, the following be substituted:

"This House while recording its general approval of the principles, objectives and programmes contained in the Second Five Year Plan as prepared by the Planning Commission, resolves that necessary modifications or alternations should be made in the recommendations of the Commission on the lines mentioned below;

(i) With a view to raising resources and removing inequality in individual incomes, stringent measures should be adopted for fixing a ceiling on income, specially by fixing maximum salary to be paid to the public servants.

(ii) With a view to ensuring balanced regional development, greater stress should be given on the special needs of the less developed States like Assam.

(iii) With a view to strengthening transport, larger allocation should be made to the Railways for improvement and construction of new railway lines particularly in under-developed areas which are full of mineral resources and raw materials."

Shri Radha Raman (Delhi City): I beg to move:

That in the resolution:

add at the end:—

"and calls upon the nation to put in hard work to carry out the Plan so as to achieve the targets before time."

Shri Shree Narayan Das (Darbhanga Central): I beg to move:

(i) That in the resolution:

add at the end:—

"and calls upon the Central Government, the Governments of all the States of the Union and the citizens of India to work wholeheartedly for the full and timely realisation of the tasks, targets and aims of this Plan."

[Shri Shree Narayan Das]

(ii) That in the resolution:

add at the end:—

> "and further suggests that the Central Government and the Governments of all the States of the Union, while implementing this Plan, shall immediately take such suitable steps, fiscal or otherwise, as will go to remove social and economic disparities by reducing inequalities of income and wealth."

Mr. Speaker: These are all the amendments before the House, subject to admissibility with respect to particular portions.

Shri Gadilingana Gowd (Kurnool): I have also an amendment.

Mr. Speaker: I do not find it in the list here.

Shri Velayudhan: Will we get a copy of the Prime Minister's speech?

Mr. Speaker: Yes.

Now, we have got a half-hour discussion from 6 P.M. There are about ten minutes left. We need not start discussion on the Plan just now. As we all know, the Prime Minister is going to lay the foundation-stone of the commemoration monument in connection with the Buddha Jayanti celebrations. It is an event of all-India importance. If the House agrees, we can adjourn now. As regards the half-hour discussion, it will stand over to some other day.

Shri T. B. Vittal Rao (Khammam): Will it be taken on some other day?

Mr. Speaker: I shall try.

Shri T. B. Vittal Rao: Then I agree.

BUSINESS ADVISORY COMMITTEE

THIRTY-SEVENTH REPORT

Pandit Thakur Das Bhargava (Gurgaon): I beg to present the Thirty-seventh Report of the Business Advisory Committee. This relates to the meeting of the Committee held at 4 P.M. today.

5-55 P.M.

The Lok Sabha then adjourned till half past Ten of the Clock on Friday, the 25th May, 1956.

DAILY DIGEST

[*Wednesday, 23rd May, 1956*]

COLUMNS

MOTION FOR ADJOURNMENT . . . . 9241—54

The Minister of Railways made a statement in connection with the adjournment motion tabled on the 21st May, 1956 by Shri A. K. Gopalan and Shri Nambiar regarding the situation alleged to have arisen as a result of the strike of workers of Kharagpur Workshop of the South Eastern Railway.

In view of the Statement made by the Minister of Railways, the Speaker withheld his consent to the moving of the adjournment motion.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE . . . 9241—54

Shri M. L. Agarwal called attention to the Firemen's strike at Kazipet Railway Junction.

The Minister of Railways made a statement in regard thereto.

PAPERS LAID ON THE TABLE 9254

The following papers were laid on the Table.

(1) A copy of each of the following notifications of the Ministry of Communications, together with the Explanatory Notes, under sub-section (3) of section 5 of the Indian Aircraft Act, 1934, making certain further amendments to the Indian Aircraft Rules, 1937.

(i) Notification No. AR/1937(20), dated 2nd March, 1956.

(ii) Notification No. AR/1937(18), dated the 12th April, 1956.

(2) A copy of the Audit Report (Civil) 1955 (Part I), under Article 151 (1) of the Constitution.

(3) A copy each of certain further statements containing replies to certain memoranda received from Members in connection with Demands for Grants (Railways) for 1956-57.

(4) Joint Communique issued after the Indo-Pakistan Conference held at Dacca on the 5th and 6th May, 1956.

COLUMNS

MESSAGE FROM RAJYA SABHA . . . 9255

Secretary reported a message from Rajya Sabha that at its sitting held on the 21st May, 1956, Rajya Sabha had agreed without any amendment to the Agricultural Produce (Development and Warehousing) Corporations Bill passed by Lok Sabha on the 11th May 1956.

REPORT OF COMMITTEE ON PRIVATE-MEMBERS BILLS AND RESOLUTIONS PRESENTED . . . 9255

Fifty-fourth Report was presented.

PRESENTATION OF PETITION . . . 9255

Shri T. N. Viswanatha Reddy presented a petition signed by a petitioner regarding the Indian Posts and Telegraphs Act and the Rules framed thereunder.

REPORT OF JOINT COMMITTEE PRESENTED . . . 9255

Report of the Joint Committee on the Constitution (Tenth Amendment) Bill, was presented.

STATEMENT *RE* EXODUS OF HINDUS FROM EAST PAKISTAN . 9255–61

The Minister of Law and Minority Affairs (Shri Biswas) made a statement regarding exodus of Hindus from East Pakistan and also laid on the Table a copy of the Joint Communique issued after the Indo-Pakistan Conference held at Dacca on the 5th and 6th May, 1956.

BILL PASSED . . 9262–9345, 9346–83

Life Insurance Corporation Bills, as reported by the Select Committee was further considered. Consideration of clauses was concluded and the Bill, as amended, was passed

GOVERNMENT RESOLUTION UNDER DISCUSSION 9383–9412

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru) moved a resolution regarding Second Five-Year Plan. The discussion was not concluded.

REPORT OF BUSINESS ADVISORY. COMMITTEE PRESENTED. 9412

Thirty-seventh Report was presented.

AGENDA FOR FRIDAY, 25TH MAY, 1956—

Further discussion on the Resolution regarding Second Five-Year Plan and Private Members' Resolutions.

GIPN—S. 4—137 Lok Sabha—29-11-'6—840